ORDER FOR CONSIDERATION TOMORROW OF THE SECOND CONCURRENT BUDGET RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two Senators aforementioned on tomorrow, the Senate then proceed to the consideration of the second concurrent budget resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEMOCRATIC CONFERENCE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I call to the attention of my colleagues on this side of the aisle that there will be a Democratic conference tomorrow, in room 207, at 10:30 a.m., and it has to do with the second concurrent budget resolution.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow, the Senate will come in at 1 p.m.

After the two leaders or their designees have been recognized under the standing order for not to exceed 5 minutes each, Messrs. TSONGAS and BENTSEN will be recognized, each for not to exceed 15 minutes, after which the Senate will proceed to the consideration of Calendar No. 327, Senate Concurrent Resolution 36, the second concurrent budget resolution.

Rollcall votes are anticipated, and the Senate could be in late.

RECESS UNTIL 1 P.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 1 p.m. tomorrow.

The motion was agreed to; and at 6:28 p.m., the Senate recessed until tomorrow, Wednesday, September 12, 1979, at 1 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1979:

THE JUDICIARY

James M. Sprouse, of West Virginia, to be U.S. circuit judge for the fourth circuit.

Robert J. Staker, of West Virginia, to be U.S. district judge for the southern district of West Virginia.

HOUSE OF REPRESENTATIVES—*Tuesday, September 11, 1979*

The House met at 12 o'clock noon.

Dr. Henry Dudley Rucker, the Solid Rock Baptist Church of Christ, Manhattan, N.Y., offered the following prayer:

Eternal God, we come today asking Thy blessings upon this great body, this body that is responsible for the creation of legislation here in the United States of America.

Move them we pray Thee, to give greater attention to the needs of the poor throughout America and also throughout the world. Move them to create a meaningful way for more aid and benefits for the poor people, for the aged people and for those of us, great God, who are seeking and crying and dying for justice.

Move them, we pray Thee, to unite and stand together with the President of this Nation, because these are dangerous times. America's future is at stake. America is at a crossroads.

Help us, we pray Thee, to overcome the dangers to our freedom. Help us, we pray Thee, to know that we are all children of God. Bless this great body that they might create the kind of atmosphere in this Nation that would bring about peace throughout the world.

We ask that Thou will have mercy plentifully upon all of these great minds, that they might find ways and means to overcome ignorance, the lack of quality education, move them to attack the unemployment situation in America, because unemployment creates pain, disease, and death unnecessarily.

We beg of Thee to move our President in such a way that he will have the mercy of Abraham Lincoln, the tenacity of Harry S Truman, the fearlessness of John F. Kennedy, and the intellect of Thomas Jefferson.

Hear our prayer, we pray Thee, for human rights around the world. Men, women, and children are dying every day because of the simple lack of human rights.

We beg of Thee, in the name of Moses, Jesus. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4388) entitled "An act making appropriations for energy and water development for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 23, 24, 29, and 64, and that the Senate receded from its amendments numbered 26, to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4392) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending September 30, 1980, and for other purposes," and that the Senate agreed to the House amendments to the Senate amendments numbered 1, 8, and 37 and that the Senate receded from its amendment numbered 30, to the foregoing bill.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95–598.

APPOINTMENT OF CONFEREES ON H.R. 4387, AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS, 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4387) making appropriations for Agriculture, Rural Development, and related agencies programs for the fiscal year ending September 30, 1980, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

Mr. ROUSSELOT. Reserving the right to object, Mr. Speaker, could the gentleman explain what is occurring here?

Mr. WHITTEN. It is just a matter of going to conference.

Mr. ROUSSELOT. Period?

Mr. WHITTEN. That is right.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. WHITTEN, BURLISON, TRAXLER, ALEXANDER, MCHUGH, NATCHER, HIGHTOWER, JENRETTE, ANDREWS of North Dakota, ROBINSON, MYERS of Indiana, and CONTE.

DR. HENRY DUDLEY RUCKER

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, it is with a great deal of pleasure and sense of honor that I have the privilege of acknowledging the presence and welcoming to these

Chambers the Reverend Dr. Henry Dudley Rucker, who delivered so eloquently the invocation at the start of today's session.

Reverend Rucker is pastor of the Solid Rock Baptist Church of Christ on Amsterdam Avenue, in the West Harlem area of my district in New York City. This is his 18th year as pastor.

In addition to being a great religious leader, he is, as well, a great community leader. His church under his leadership runs a community action program at the church which focuses on helping to keep youngsters in school and helping them to make their way into college and other forms of higher education into employment.

Over the course of the past decade that the Reverend Rucker has run this program, more than 5,000 youngsters have been placed in jobs through these efforts.

Reverend Rucker was born and educated in the District of Columbia, has attended the Teacher's College at Columbia University and the Union Theological Seminary, and he is joined here today by his wife and other members of his family.

SOUTH BEND TRIBUNE'S INTERVIEW WITH SPEAKER OF THE HOUSE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, I should like to call to the attention of my colleagues in the House of Representatives an excellent article published last Sunday, September 9, 1979, in the South Bend, Ind., Tribune, which is in the congressional district I have the honor to represent. The article is in the nature of an interview with the distinguished Speaker of the House of Representatives, the Hon. THOMAS P. O'NEILL, JR., conducted by the able and respected political writer of that newspaper, Jack Colwell.

Mr. Speaker, I believe that Members of the House will read this splendid interview with great interest, and I insert it at this point in the RECORD:

TIP O'NEILL: SPEAKER LEARNS NEW TRICKS

(By Jack Colwell)

If ever there was a man who fits the definition of an "old Irish pol," it is Thomas P. (Tip) O'Neill Jr., grandson of a bricklayer from County Cork, 15-year-old campaigner for Al Smith in 1928, legislator in Massachusetts or Congress since 1936 and now speaker of the U.S. House of Representatives.

He also is living proof that you too can teach an old pol new tricks.

Tip spins yarns about the old days, when Sam Rayburn was speaker, ruled the House with an iron gavel and "would call the Internal Revenue and tell them whether a thing ought to go criminal or civil."

Although "you could get more done in the old days," O'Neill says he laments neither the fading of the seniority system nor the loss of autocratic power by the speaker.

He cites "the changing times. The times don't require that. The times don't want that. So you go along with the times."

He finds the current times featuring higher standards of ethics and more openness, with efforts now made by the Democratic whip organization, headed by Majority Whip John Brademas of South Bend, an O'Neill protege, to inform members rather than keep them in the servitude of ignorance.

"When I was just a member of the Rules Committee, the whip organization never informed anybody," O'Neill relates. Sam Rayburn "ran everything." The regional whip for Massachusetts "never went to a meeting in over 20 years." And the policy committee "would meet once a year and have their picture taken."

TIP THE WHIP

A key factor in building the support resulting in his own rise in leadership, O'Neill believes, was when he became "a kind of a whip organization myself" as a Rules Committee member back in the early 1960s. He recalls having 20 or 30 colleagues call each week to ask, "Tip, what did the Rules Committee report this week? What do you think of the chances of it being passed? When do you expect that it's going to be on the floor? How will it affect the nation? How does it affect me? Do you think I could be absent on such and such a day? What amendments are going to be offered?"

He credits Hale Boggs with finally getting the whip organization geared to answer some of those questions. And when Boggs became majority leader in 1971, O'Neill formally became the whip. With Boggs' disappearance on an airplane flight over Alaska in 1972, O'Neill moved up to majority leader. He became speaker in 1977, replacing Carl Albert.

The 66-year-old Tip, with a face like the map of Ireland, an imposing bulk he always is trying to reduce, and white hair to add a distinguished note, is far more colorful than the two speakers before him, Albert and John W. McCormack. And most observers of Congress would add that he also is the most effective speaker since Rayburn, even though that effectiveness is accomplished through different techniques designed for a different time.

Although the House was much more responsive than the Senate to President Carter's initial calls for action to cope with the nation's energy woes, there are numerous examples of the House, despite a whopping Democratic majority, failing to go along with the President or with the congressional leadership.

It is part of those "changing times," says O'Neill, who finds that newer congressmen have little regard for the pleas of the past for party loyalty.

"All these young fellows came in. They ran against the establishment. They ran against Washington. They ran against the Congress," O'Neill explains. "They have their six news letters a year. They have their bus that travels around. They get great television. They have their weekly radio programs. Most of them in those small areas have either a weekly or a monthly television program, they have their town meetings with the people. They go in and they dialogue and they discuss with them."

"LET THEM TALK IT OUT"

Although some Democratic voters might still resent lack of party support, O'Neill continues, they say, "But he gives us more service than we've ever had before. Even when he's not here, his bus is around." And so they win elections in this era of the independent voter without having to depend much on support from the party or a record of having supported the party.

An aide to the speaker was just complaining about a Republican effort on the floor which the Democratic leaders regarded as aimed at stalling the House and causing embarrassment. "He's going through a charade right now," said O'Neill, glancing at the TV monitor in his office just off the House floor as it showed the energetic gesturing of a GOP congressman in a debate on a minority amendment attempt doomed to defeat.

"You let them talk it out," said O'Neill, in a response which surely differed from the way Rayburn would have handled the situation.

Even in these "changing times," however, O'Neill is getting fed up with the results of televised House proceedings on cable TV systems.

"I don't believe this debate would be lasting anywhere near this length of time" without television, said the speaker, looking again at the TV monitor. "But there are 435 (House) offices that have it on, different places around the Hill, four or five million people watching . . . a possible audience out there of 20 million.

"If somebody doesn't like the soap opera, there's cable TV. If I thought I had a tough election and knowing that there are 35,000 people in my district who watch this every day, the shut-ins, the senior citizens . . . I'd probably be taking the microphone myself."

But with the journal now 25 per cent heavier and more lengthy speeches given to an empty chamber and the TV cameras, O'Neill says it may be time to curtail some of the coverage.

CLOSE TO KENNEDYS

O'Neill was elected in 1952 to the congressional seat then being vacated by John F. Kennedy, who moved to the U.S. Senate. And he is regarded as close to the Kennedy family. That, however, wasn't always the case.

When young Jack Kennedy first ran for Congress in 1946, O'Neill already was committed to a fellow Massachusetts legislator named Mike Neville for the Democratic nomination. As the campaign went on, it was clear that Neville stood no chance against what became known as the Kennedy "magic."

Despite the efforts of Kennedy supporters in Cambridge to budge O'Neill, he stuck with his commitment to Neville, the loser. O'Neill's loyalty to a friend and a commitment is said to have impressed Kennedy, who thereafter wanted and had O'Neill on his side.

Loyalty is a trademark of O'Neill. It undoubtedly is loyalty to his party and to a Democratic president which has caused him to try so hard, sometimes against the odds, to help Jimmy Carter, the Washington newcomer surrounded by advisers for whom O'Neill has little respect. The "biggest problem" in the Carter inner circle, O'Neill theorizes, has been a lack of political experience, particularly lack of any experience in seeking re-election to anything.

"They ran for president of the United States and never gave any thought that they were going to have to run for re-election," he says. "They went their own way. They were a closely knit group. They did not invite older and wiser people who had been around the town for years and knew how Washington moved. They never brought them in.

"Now this is what Jody Powell (presidential press secretary) and Hamilton Jordan (White House chief of staff) are trying to do. I think they're recognizing their mistake.

"People say, hey, the Kennedys had their own group. But they were Washington oriented. He (John F. Kennedy) had been in Washington for years. His father had been down here. Most of those associated with him had a Washington background."

ADVICE TO HAM JORDAN

O'Neill refers to Hamilton Jordan as "Hannibal Jerkin."

In somewhat of an understatement, O'Neill says of Jordan, "I don't know him well. We've never been too friendly."

The story is told in Washington of how O'Neill received poor tickets for Carter's inaugural gala. He called Jordan to inquire

about the reason for such an obvious affront to the speaker of the House.

If the speaker didn't like it, he could have his money back, Jordan replied sarcastically. It was then when O'Neill began calling him "Hannibal Jerkin."

Jordan, perhaps no longer so brash as his boss plummets in the popularity polls, recently came to see O'Neill and discuss the problems Jordan has had in Washington. "You came to Washington with a chip on your shoulder," O'Neill told him. "You didn't want any help from anybody. You thought you could do it by yourself. You never looked at the next election."

The practical "old pol" warned Jordan that "you lose your friends along the way" and, to compensate, "you should make friends of those who weren't with you."

Because some Democrat didn't initially support Carter for the presidential nomination, O'Neill continued, "you're not supposed to lock him out."

But the speaker believes "they locked a lot of people out. Now they're trying to open the door to see if they can re-establish themselves. And I think they can do it."

A noxious pill for O'Neill was the firing of Joseph Califano as secretary of health, education and welfare.

The first day O'Neill met with Carter, then president-elect, in the Blair House in Washington, Carter asked for recommendations for the Cabinet, O'Neill recommended "a dozen fellows in the House that I thought had ability enough to be in the Cabinet." Then Carter asked about Califano. O'Neill said he knew Califano "extremely well." He describes the ousted HEW secretary as "one of my best friends."

SUPPORT FOR CALIFANO

O'Neill told Carter that Califano had done an excellent job as a "whiz kid" when Robert McNamara was secretary of Defense and had proved "he knew how to get things done" as an assistant to President Lyndon B. Johnson.

"Would he be interested in HEW?" Carter asked.

"I can't imagine it," O'Neill replied. He told Carter, "Joe Califano makes better than a half million dollars" as a lawyer, "he's got a young family, he did his stint for his country."

That night Tip met with Califano at Duke Zeibert's Restaurant, a favorite spot for O'Neill, a rabid Boston Red Sox baseball fan, who is much more at home with the sports crowd and corned beef special at Duke's than he is with diplomats at a formal White House dinner.

O'Neill told Califano about the conversation with Carter.

And he recalls Califano replied, "I'm a first-generation Italian. To serve in the President's Cabinet is the greatest honor I could receive. I'd be delighted."

Califano, of course, got the job.

"But the truth of the matter is he was never accepted by those who were close to the President," says O'Neill. "I mean Powell, Jordan, (congressional liaison chief) Frank Moore and (presidential assistant Jack) Watson and the whole gang. They made a terrible mistake."

It was the day before Califano was sacked when Jordan came to see the speaker.

"Where you made your mistake," O'Neill told Jordan, "you should have brought in Califano" and others "who know how Washington ticks."

The speaker says Jordan never told him Califano's "resignation" was about to be accepted.

"I said, 'You ought to be closer to Califano,' and the next day he got the ax," O'Neill relates.

ON KENNEDY CANDIDACY

"I don't think Teddy's a candidate," O'Neill says.

Ever? "I just don't think he's a candidate right now. Whether he'll ever run or not, I don't know."

If Sen. Edward M. (Ted) Kennedy did run for president, wouldn't O'Neill, with both loyalty to a Democratic president and long association with the Kennedy family, be on the spot?

"No," O'Neill responds, "I wouldn't be on that spot because, no question, he (Kennedy) would carry Massachusetts. So no matter what I were to do, I wouldn't affect the election."

However, "If (California) Gov. (Jerry) Brown or somebody were running against Carter, then I could be influential and I could be a help in Massachusetts," O'Neill adds. "But against a Kennedy, against a local boy, I couldn't make any difference."

But, the big question, impact aside, would O'Neill be with Kennedy?

"Ah * * * well," the speaker responds slowly, "I'd have to cross that bridge when it arrives."

Meanwhile, O'Neill says he is "trying to help the legislation, the President's program, doing the best to see if we can get the country moving, see if we can get these energy things."

HERO OF BRESLIN BOOK

Tip O'Neill was the hero of author Jimmy Breslin's book, "How the Good Guys Finally Won."

Breslin tells how O'Neill, then majority leader, was ahead of the other congressional leaders in the belief that Richard M. Nixon had been involved in Watergate-related abuses which could bring impeachment.

O'Neill told then-Speaker Albert in January, 1973, that "impeachment is going to hit this Congress and we better be ready for it." He persuaded Albert and Peter Rodino, chairman of the House Judiciary Committee, to set the wheels in motion toward the situation in which Nixon finally resigned in the face of certain impeachment.

"It takes a traditional, backroom Boston politician to smell a shakedown," Breslin said in explaining how O'Neill determined so early that there was cause for impeachment.

O'Neill puts it this way: "For years I was chairman of the Democratic Congressional Committee. I knew every large fund-raiser in the Democratic Party.

"They kept calling me on the telephone and saying they were being sandbagged by the Nixon people to become a Democrat for Nixon, they were being harassed, their companies were being investigated by the Federal Trade Commission, were being investigated by this commission or that or they were having problems with export-import laws that they never had before.

"This government doesn't operate like that. That's not what democracy is all about.

"You get bad people running the government when you're doing that. And it's not going to last. I knew there was smoke there. Then everything started to unfold."

NIXON'S DOWNFALL

Nixon could have survived Watergate, O'Neill believes, because "all he had to do was come apologize to the American people at an earlier time instead of act the way he did.

"If he had been more open about the thing, said 'Here you just elected me in a landslide election. I regret what I did.'

"But he started trying to cover up . . . That really hurt.

"You know, no man ever came to the presidency of the United States, in my opinion, more prepared to be the president. Here was a man who had been a congressman, a senator, a vice president, defeated for president, spent eight years in traveling throughout the world. He was an expert on foreign relations.

"But he had no trust and no faith and he brought some bad people around him.

"He just didn't have the principles, even though he was so well schooled to do the job."

Nixon did "terrible, absolutely terrible" harm to the nation, helping bring about "the credibility gap, the lack of confidence" in America today, says O'Neill.

He is in complete agreement with President Carter that there is "a crisis of confidence." He seems to think Carter can overcome it and bounce back.

And O'Neill stands ready to help Carter and maybe even "Jerkin," who seems now to "thoroughly understand the mistakes they have made." The White House undoubtedly could do a lot worse—and seemingly has—than accept the advice of an "old Irish pol" who has learned the new tricks necessary to retain leadership and respect in a Congress where an iron gavel is passe.

STATE EMPLOYEES OF ALASKA VOTE TO WITHDRAW FROM SOCIAL SECURITY SYSTEM

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PICKLE. Mr. Speaker, an article in this morning's Post reports that State employees of Alaska have voted to withdraw from the social security system. Although the "let's get out" sentiment for Alaska and other local and State groups waxes and wanes, it is a disturbing matter when a full State gets in the grip of this line of thought. This is the first time a full State has come this close to actual termination.

It must not be allowed to happen.

It is an extreme disservice to the State employees of Alaska to pull out of the social security system. It robs them of a very strong survivor, disability, medical, and retirement insurance program. If they think they can do better in the private sector or in a smaller plan, then they had better look again. It is very seldom one can beat the social security bargain.

Pulling out would also be an extreme disservice to the Nation. No program is more important than social security to the economic and social stability of this Nation. When groups pull out, they are leaving this responsibility to the rest of the country and in effect they are abusing their privilege.

In short, pulling out is both shortsighted and selfish. It is a classic case of biting off one's nose to spite one's face.

The Congress cannot allow this to happen—even if we have to put a moratorium on pullouts until universal, or near-universal, coverage can become a fact or at least until some direction is indicated to our committee resulting from the various studies and proposals being advanced today.

SHARE DRAFTS

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, today we will be voting on H.R. 4986.

I rise in strong support of this measure.

I do not need to tell you about the hundreds of letters and phone calls I have received on this bill. I am sure all of my colleagues have experienced the same inundation. The outpouring of support

from credit union members for their share draft accounts, in particular, is unequaled in my office by any other issue since I came here in 1975.

Each letter I received, each constituent who called my office, stressed the convenience and economic advantage of share draft accounts. They all expressed frustration, as well as confusion, over the Court's decision which overturned bank regulatory agency power to authorize such accounts. Many who contacted me could not understand how the Court could have "turned against the little guy," and indeed, some expressed disillusionment with a government which "gives all the breaks to the rich and does nothing for the average person."

I have been a longtime supporter of the credit union movement, and was particularly interested when share draft accounts, once authorized, were so quickly utilized by credit union members. That acceptance is indicative to me of consumer dissatisfaction with financial institutions' ordinary transaction accounts which do not pay interest on the balance. In these inflationary times, consumers want to make the most use of their money; it is up to us to see to it that the marketplace offers them the widest possible selection of financial services from which to choose.

That is why we need to pass H.R. 4986 quickly—so that share drafts, NOW accounts, telephone transfer accounts and other interest-bearing checking accounts can continue to be offered to the consumer. I wish to commend subcommittee chairman FERNAND ST GERMAIN for moving this legislation so quickly and urge my colleagues to join in support of this vital measure.

Thank you.

SOVIET GUNBOAT DIPLOMACY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, Soviet ships and submarines have been in and out of Cuba's harbor in a show of gunboat diplomacy for the past several months.

Now the presence of Soviet combat troops in Cuba appears designed to sway Senate action in favor of the proposed SALT II.

As a gesture of conciliation and goodwill, the Soviets can withdraw their troops from Cuba.

Thus reassured of the Soviet desire to cooperate, SALT backers can say that the Senate is justified in voting to approve the controversial new treaty.

I personally expressed my concerns to the President when I first learned about the presence of Soviet troops in Cuba more than a year ago.

No official action was taken.

Congress should therefore have answers to several questions.

One. When did the Soviet troops enter Cuba?

Two. Why was their presence not made public until this particular time?

Three. Was the release of this information part of a scheme to provide the Soviets with an opportunity to make a gesture of conciliation and retreat?

CUBAN CRISIS ONCE AGAIN

(Mr. PASHAYAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PASHAYAN. Mr. Speaker, storms gather over the island of Cuba once again. For the first time in a while the Soviet Union has introduced military combat troops there.

I am going to ask this Congress to join me in a resolution that reads as follows:

Resolved, That it is the sense of the Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed, and make such communication known to the American people.

Mr. Speaker, on the question of Cuba, the President of this country cannot vacillate. He must show strength. We recall the stand taken by this country in the Cuban missile crisis; we need a suitable showing of resolve, once again today. Our policy must be one of firmness and direction, that we shall not tolerate the continued presence of Soviet combat troops in Cuba.

BRITAIN'S NATIONAL HEALTH SYSTEM

(Mr. PETRI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PETRI. Mr. Speaker, an article in Business Week magazine recently reported that members of several British labor unions are dissatisfied with that country's state-run medical care system.

According to the article the widespread disillusionment with Britain's national health system stems in part from poor service delivery. A year long wait for nonurgent surgery is common. Even many urgent cases wait for a month or more.

The article points out that the 40,000 members of a powerful electronic and electrical union are now subscribing to private health-care plans. This move has angered labor supporters and Britain's national health service and has caused a split in the labor movement's ranks.

One labor leader has gone so far as to suggest that the head of this union, Frank Chapple, should emigrate to the United States.

Mr. Chapple should come to the United States, to testify on the impact of national health insurance in his country.

Mr. Speaker, when Congress considers national health insurance, we should consider all its ramifications. I suggest that the chairmen of the health committees in the House and the Senate invite Mr. Chapple or other labor leaders who are unhappy with the national health system to testify.

Congress should consider all ramifications before we endorse national health insurance.

NEED TO SOLVE FUEL DISTRIBUTION PROBLEM BEFORE WINTER

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, at this very hour, the Governor of Wisconsin, Lee S. Dreyfus, is meeting with President Carter at the White House to discuss energy problems as seen from the perspective of the States. One of the subjects will be fuel oil.

For months, many Members of Congress, administration officials, and citizens across this country have expressed their concern over adequate fuel oil supplies for the coming winter.

Last May, the Department of Energy, in responding to these concerns, met with the 32 largest refiners in this country, requesting inventory and production plans.

Throughout the summer, we were assured that enduring long gasoline lines now we would alleviate a greater problem this winter. So we watched and searched for gas, with confidence that refineries were placing a necessary emphasis on production of fuel oil.

The administration has established a target of 240 million barrels of fuel oil by October 1. The distillate supply available to the Midwest region has fallen substantially behind the national average. Distillate stocks for the Midwest have declined to less than 80 percent of the inventories for the 1978–79 season.

Wisconsin, my home State, has inventories below the levels of last year at this time. As we watch the oil companies stockpile fuel oil to meet the national target level, we see a new problem of distributing the oil to the people.

In mid-August, dealers' home fuel oil fill was at only 48 percent of its traditional level. September deliveries are estimated to be at least 17 percent below last year. My friends, Wisconsin cannot wait until October 1 for its fuel oil.

Low delivery levels, reduced stocks, and below-normal homefill will present a major problem to my State if the early cold arrives coupled with the traditional harvest fuel demands.

People must now begin to realize that in DOE's rush to establish and meet target levels, they have ignored the important problem of distribution.

Although the Nation will have adequate stocks, the pipeline supply time and capacity levels will prevent the fuel oil from arriving at its destiny in time.

Estimates are that pipeline capacity from Chicago to Wisconsin are 7 days, and from the gulf coast are 30 days. Does anyone really expect our State to wait until November 1 to receive fuel oil released from the gulf coast on October 1?

Mr. Speaker, we have not solved the fuel oil crisis yet. It appears that a new and major chapter dealing with distribution is about to begin.

PERSUADE SENATE TO AMEND LANGUAGE OF CONSUMER CHECKING ACCOUNT EQUITY ACT ON NOW ACCOUNTS

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, we will soon have before us a vote on H.R. 4986, the Consumer Checking Account Equity Act of 1979. I have a reservation about the implementation of the NOW account provision in this bill. Many of us feel that the NOW account provisions should not be implemented until each State legislature has an opportunity to decide whether such accounts shall be allowed by State law. State governments in other words should have the opportunity to legislate on whether in that State NOW accounts should be permitted.

I have been assured by the chairman of the subcommittee, Mr. ST GERMAIN, that we will do what we can to encourage such language to be included in the Senate. We both agreed to try to persuade the Senate to alter the language so that it would be "State law permitting" as it relates to the NOW accounts.

Though I am sorry we are not able to modify the bill on the floor, I will vote for passage today because Mr. ST GERMAIN has been willing to try to achieve that legislative goal in the Senate.

☐ 1220

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LUKEN). Pursuant to clause 3, rule XXVII, the Chair will now put the question de novo on the motion on which further proceedings were postponed.

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 4986, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Rhode Island (Mr. ST GERMAIN) that the House suspend the rules and pass the bill, H.R. 4986, as amended.

The question was taken.

Mr. ANNUNZIO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 367, nays 39, answered "present" 5, not voting 23, as follows:

[Roll No. 454]

YEAS—367

Addabbo	Andrews, N.C.	Atkinson
Akaka	Andrews, N. Dak.	Badham
Albosta	Anthony	Bafalis
Alexander	Archer	Bailey
Ambro	Ashley	Baldus
Anderson, Calif.	Aspin	Barnard
Andrews, N.C.	Atkinson	Barnes
Andrews, N. Dak.	Badham	Bauman
Anthony	Bafalis	Bellenson
Archer	Bailey	Benjamin
Ashley	Baldus	Bennett
Aspin	Barnard	Bereuter
Atkinson	Barnes	Bethune
Badham	Bauman	Bevill
Bafalis	Bellenson	Bingham
Bailey	Benjamin	Blanchard
Baldus	Bennett	Boggs
Barnard	Bereuter	Boland
Barnes	Bethune	Bolling
Bauman	Bevill	Boner
Bellenson	Bingham	Bonior
Benjamin	Blanchard	Bonker
Bennett	Boggs	Bouquard
Bereuter	Boland	Bowen
Bethune	Bolling	Brademas
Bevill	Boner	Brodhead
Bingham	Bonior	Brooks
Blanchard	Bonker	Broomfield
Boggs	Bouquard	Brown, Calif.
Boland	Bowen	Broyhill
Bolling	Brademas	Buchanan
Boner	Brodhead	Burgener
Bonior	Brooks	Burlison
Bonker	Broomfield	Burton, John
Bouquard	Brown, Calif.	Burton, Phillip
Bowen	Broyhill	Butler
Brademas	Buchanan	Byron
Brodhead	Burgener	Campbell
Brooks	Burlison	Carney
Broomfield	Burton, John	Chappell
Brown, Calif.	Burton, Phillip	Chisholm
Broyhill	Butler	Clausen
Buchanan	Byron	Clinger
Burgener	Campbell	Coelho
Burlison	Carney	Coleman
Burton, John	Chappell	Collins, Ill.
Burton, Phillip	Chisholm	Conable
Butler	Clausen	Conte
Byron	Clinger	Conyers
Campbell	Coelho	Corcoran
Carney	Coleman	Corman
Chappell	Collins, Ill.	Cotter
Chisholm	Conable	Coughlin
Clausen	Conte	Courter
Clinger	Conyers	Crane, Daniel
Coelho	Corcoran	D'Amours
Coleman	Corman	Daniel, Dan
Collins, Ill.	Cotter	Daniel, R. W.
Conable	Coughlin	Danielson
Conte	Courter	Dannemeyer
Conyers	Crane, Daniel	Daschle
Corcoran	D'Amours	Davis, Mich.
Corman	Daniel, Dan	Davis, S.C.
Cotter	Daniel, R. W.	de la Garza
Coughlin	Danielson	Deckard
Courter	Dannemeyer	Dellums
Crane, Daniel	Daschle	Derrick
D'Amours	Davis, Mich.	Devine
Daniel, Dan	Davis, S.C.	Dickinson
Daniel, R. W.	de la Garza	Dicks
Danielson	Deckard	Diggs
Dannemeyer	Dellums	Dingell
Daschle	Derrick	Dixon
Davis, Mich.	Devine	Dodd
Davis, S.C.	Dickinson	Donnelly
de la Garza	Dicks	Dornan
Deckard	Diggs	Dougherty
Dellums	Dingell	Downey
Derrick	Dixon	Drinan
Devine	Dodd	Duncan, Oreg.
Dickinson	Donnelly	Duncan, Tenn.
Dicks	Dornan	Early
Diggs	Dougherty	Eckhardt
Dingell	Downey	Edgar
Dixon	Drinan	Edwards, Ala.
Dodd	Duncan, Oreg.	Edwards, Calif.
Donnelly	Duncan, Tenn.	Edwards, Okla.
Dornan	Early	Emery
Dougherty	Eckhardt	English
Downey	Edgar	Erdahl
Drinan	Edwards, Ala.	Erlenborn
Duncan, Oreg.	Edwards, Calif.	Ertel
Duncan, Tenn.	Edwards, Okla.	Evans, Del.
Early	Emery	Evans, Ga.
Eckhardt	English	Evans, Ind.
Edgar	Erdahl	Fascell
Edwards, Ala.	Erlenborn	Fazio
Edwards, Calif.	Ertel	Fenwick
Edwards, Okla.	Evans, Del.	Ferraro
Emery	Evans, Ga.	Findley
English	Evans, Ind.	Fish
Erdahl	Fascell	Fisher
Erlenborn	Fazio	Fithian
Ertel	Fenwick	Flippo
Evans, Del.	Ferraro	Florio
Evans, Ga.	Findley	Foley
Evans, Ind.	Fish	Ford, Mich.
Fascell	Fisher	Ford, Tenn.
Fazio	Fithian	Forsythe
Fenwick	Flippo	Fountain
Ferraro	Florio	Fowler
Findley	Foley	Frost
Fish	Ford, Mich.	Fuqua
Fisher	Ford, Tenn.	Garcia
Fithian	Forsythe	Gaydos
Flippo	Fountain	Gephardt
Florio	Fowler	Giaimo
Foley	Frost	Gibbons
Ford, Mich.	Fuqua	Gilman
Ford, Tenn.	Garcia	Gingrich
Forsythe	Gaydos	Ginn
Fountain	Gephardt	Glickman
Fowler	Giaimo	Goldwater
Frost	Gibbons	Gonzalez
Fuqua	Gilman	Goodling
Garcia	Gingrich	Gore
Gaydos	Ginn	Gradison
Gephardt	Glickman	Gramm
Giaimo	Goldwater	Grassley
Gibbons	Gonzalez	Gray
Gilman	Goodling	Green
Gingrich	Gore	Grisham
Ginn	Gradison	Guarini
Glickman	Gramm	Gudger
Goldwater	Grassley	Guyer
Gonzalez	Gray	Hagedorn
Goodling	Green	Hall, Ohio
Gore	Grisham	Hall, Tex.
Gradison	Guarini	Hamilton
Gramm	Gudger	Hammer-schmidt
Grassley	Guyer	Hance
Gray	Hagedorn	Hanley
Green	Hall, Ohio	Hansen
Grisham	Hall, Tex.	Harkin
Guarini	Hamilton	Harris
Gudger	Hammer-schmidt	Harsha
Guyer	Hance	Hawkins
Hagedorn	Hanley	Heckler
Hall, Ohio	Hansen	Hefner
Hall, Tex.	Harkin	Heftel
Hamilton	Harris	Hightower
Hammer-schmidt	Harsha	Hillis
Hance	Hawkins	Hinson
Hanley	Heckler	Holland
Hansen	Hefner	Holt
Harkin	Heftel	Holtzman
Harris	Hightower	Hopkins
Harsha	Hillis	Horton
Hawkins	Hinson	Howard
Heckler	Holland	Huckaby
Hefner	Holt	Hughes
Heftel	Holtzman	Hutto
Hightower	Hopkins	Ireland
Hillis	Horton	Jacobs
Hinson	Howard	Jeffords
Holland	Huckaby	Jenkins
Holt	Hughes	Jenrette
Holtzman	Hutto	Johnson, Calif.
Hopkins	Ireland	Jones, N.C.
Horton	Jacobs	Jones, Okla.
Howard	Jeffords	Jones, Tenn.
Huckaby	Jenkins	Kastenmeier
Hughes	Jenrette	Kazen
Hutto	Johnson, Calif.	Kemp
Ireland	Jones, N.C.	Kildee
Jacobs	Jones, Okla.	Kindness
Jeffords	Jones, Tenn.	Kogovsek
Jenkins	Kastenmeier	Kostmayer
Jenrette	Kazen	Kramer
Johnson, Calif.	Kemp	LaFalce
Jones, N.C.	Kildee	Lagomarsino
Jones, Okla.	Kindness	Latta
Jones, Tenn.	Kogovsek	Leach, La.
Kastenmeier	Kostmayer	Lederer
Kazen	Kramer	Lee
Kemp	LaFalce	Lehman
Kildee	Lagomarsino	Leland
Kindness	Latta	Lent
Kogovsek	Leach, La.	Levitas
Kostmayer	Lederer	Lewis
Kramer	Lee	Livingston
LaFalce	Lehman	Lloyd
Lagomarsino	Leland	Loeffler
Latta	Lent	Long, Md.
Leach, La.	Levitas	Lott
Lederer	Lewis	Lowry
Lee	Livingston	Lujan
Lehman	Lloyd	Luken
Leland	Loeffler	Lundine
Lent	Long, Md.	Lungren
Levitas	Lott	McCloskey
Lewis	Lowry	McDade
Livingston	Lujan	McEwen
Lloyd	Luken	McHugh
Loeffler	Lundine	McKinney
Long, Md.	Lungren	Madigan
Lott	McCloskey	Maguire
Lowry	McDade	Markey
Lujan	McEwen	Marks
Luken	McHugh	Marriott
Lundine	McKinney	Martin
Lungren	Madigan	Mathis
McCloskey	Maguire	Matsui
McDade	Markey	Mattox
McEwen	Marks	Mavroules
McHugh	Marriott	Mazzoli
McKinney	Martin	Mica
Madigan	Mathis	Mikulski
Maguire	Matsui	Mikva
Markey	Mattox	Miller, Calif.
Marks	Mavroules	Miller, Ohio
Marriott	Mazzoli	Mineta
Martin	Mica	Minish
Mathis	Mikulski	Mitchell, Md.
Matsui	Mikva	Mitchell, N.Y.
Mattox	Miller, Calif.	Moakley
Mavroules	Miller, Ohio	Moffett
Mazzoli	Mineta	Mollohan
Mica	Minish	Moore
Mikulski	Mitchell, Md.	Moorhead, Calif.
Mikva	Mitchell, N.Y.	Moorhead, Pa.
Miller, Calif.	Moakley	Mottl
Miller, Ohio	Moffett	Murphy, Ill.
Mineta	Mollohan	Murphy, N.Y.
Minish	Moore	Murphy, Pa.
Mitchell, Md.	Moorhead, Calif.	Murtha
Mitchell, N.Y.	Moorhead, Pa.	Myers, Pa.
Moakley	Mottl	Neal
Moffett	Murphy, Ill.	Nedzi
Mollohan	Murphy, N.Y.	Nelson
Moore	Murphy, Pa.	Nichols
Moorhead, Calif.	Murtha	Nolan
Moorhead, Pa.	Myers, Pa.	Nowak
Mottl	Neal	Oakar
Murphy, Ill.	Nedzi	Oberstar
Murphy, N.Y.	Nelson	Obey
Murphy, Pa.	Nichols	Ottinger
Murtha	Nolan	Panetta
Myers, Pa.	Nowak	Pashayan
Neal	Oakar	Patten
Nedzi	Oberstar	Patterson
Nelson	Obey	Pease
Nichols	Ottinger	Petri
Nolan	Panetta	Peyser
Nowak	Pashayan	Preyer
Oakar	Patten	Pritchard
Oberstar	Patterson	Pursell
Obey	Pease	Quayle
Ottinger	Petri	Rahall
Panetta	Peyser	Railsback
Pashayan	Preyer	Rangel
Patten	Pritchard	Ratchford
Patterson	Pursell	Regula
Pease	Quayle	Reuss
Petri	Rahall	Rhodes
Peyser	Railsback	Richmond
Preyer	Rangel	Rinaldo
Pritchard	Ratchford	Ritter
Pursell	Regula	Robinson
Quayle	Reuss	Roe
Rahall	Rhodes	Rose
Railsback	Richmond	Rosenthal
Rangel	Rinaldo	Rostenkowski
Ratchford	Ritter	Roth
Regula	Robinson	Rousselot
Reuss	Roe	Royer
Rhodes	Rose	Rudd
Richmond	Rosenthal	Runnels
Rinaldo	Rostenkowski	Sabo
Ritter	Roth	Santini
Robinson	Rousselot	Satterfield
Roe	Royer	Sawyer
Rose	Rudd	Scheuer
Rosenthal	Runnels	Schroeder
Rostenkowski	Sabo	Schulze
Roth	Santini	Selberling
Rousselot	Satterfield	Sensenbrenner
Royer	Sawyer	Shannon
Rudd	Scheuer	Sharp
Runnels	Schroeder	Shelby
Sabo	Schulze	Shuster
Santini	Selberling	Slack
Satterfield	Sensenbrenner	Smith, Iowa
Sawyer	Shannon	Smith, Nebr.
Scheuer	Sharp	Snowe
Schroeder	Shelby	Solarz
Schulze	Shuster	Solomon
Selberling	Slack	Spellman
Sensenbrenner	Smith, Iowa	Spence
Shannon	Smith, Nebr.	St Germain
Sharp	Snowe	Stack
Shelby	Solarz	Staggers
Shuster	Solomon	Stangeland
Slack	Spellman	Stanton
Smith, Iowa	Spence	Stark
Smith, Nebr.	St Germain	Steed
Snowe	Stack	Stenholm
Solarz	Staggers	Stewart
Solomon	Stangeland	Stockman
Spellman	Stanton	Stokes
Spence	Stark	Stratton
St Germain	Steed	Studds
Stack	Stenholm	Stump
Staggers	Stewart	Swift
Stangeland	Stockman	Symms
Stanton	Stokes	Synar
Stark	Stratton	Tauke
Steed	Studds	Thomas
Stenholm	Stump	Thompson
Stewart	Swift	Traxler
Stockman	Symms	Treen
Stokes	Synar	Trible
Stratton	Tauke	Udall
Studds	Thomas	Ullman
Stump	Thompson	Van Deerlin
Swift	Traxler	Vander Jagt
Symms	Treen	Vanik
Synar	Trible	Vento
Tauke	Udall	Wampler
Thomas	Ullman	Watkins
Thompson	Van Deerlin	Waxman
Traxler	Vander Jagt	Weaver
Treen	Vanik	Weiss
Trible	Vento	White
Udall	Wampler	Whitehurst
Ullman	Watkins	Whitley
Van Deerlin	Waxman	Williams, Mont.
Vander Jagt	Weaver	Williams, Ohio
Vanik	Weiss	Wilson, Bob
Vento	White	Wilson, C. H.
Walgren	Whitehurst	Wirth
Walker	Whitley	Wolff
Wolpe	Williams, Mont.	Yatron
Wright	Williams, Ohio	Young, Fla.
Wyatt	Wilson, Bob	Young, Mo.
Wydler	Wilson, C. H.	Zablocki
Wylie	Wirth	Zeferetti
Yates	Wolff	

NAYS—39

Abdnor	Jeffries	Perkins
Annunzio	Johnson, Colo.	Pickle
Ashbrook	Kelly	Price
Beard, Tenn.	Leath, Tex.	Roberts
Bedell	Long, La.	Russo
Brinkley	McClory	Sebelius
Brown, Ohio	McDonald	Shumway
Carr	McKay	Simon
Collins, Tex.	Marlenee	Snyder
Fary	Michel	Taylor
Hubbard	Montgomery	Volkmer
Hyde	Myers, Ind.	Whittaker
Ichord	Natcher	Whitten

ANSWERED "PRESENT"—5

Cleveland	Quillen	Winn
O'Brien	Skelton	

NOT VOTING—23

Anderson, Ill.	Cheney	McCormack
Applegate	Clay	Paul
AuCoin	Crane, Philip	Pepper
Beard, R.I.	Derwinski	Rodino
Biaggi	Flood	Roybal
Breaux	Frenzel	Wilson, Tex.
Carter	Hollenbeck	Young, Alaska
Cavanaugh	Leach, Iowa	

☐ 1230

The Clerk announced the following pairs:

Mr. McCormack with Mr. Anderson of Illinois.

Mr. Pepper with Mr. Hollenbeck.

Mr. Rodino with Mr. Leach of Iowa.

Mr. Breaux with Mr. Paul.

Mr. Biaggi with Mr. Young of Alaska.

Mr. Applegate with Mr. Derwinski.

Mr. AuCoin with Mr. Philip M. Crane.

Mr. Beard of Rhode Island with Mr. Cheney.

Mr. Cavanaugh with Mr. Carter.

Mr. Clay with Mr. Frenzel.

Mr. Charles Wilson of Texas with Mr. Roybal.

Messrs. MARTIN, BADHAM, and LEWIS changed their votes from "nay" to "yea."

Mr. O'BRIEN and Mr. SKELTON changed their votes from "yea" to "present."

So (two-thirds having voted in favor thereof), the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

☐ 1240

TITLE AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Speaker, I offer an amendment to the title of H.R. 4986, the bill just passed.

The Clerk read as follows:

Title amendment offered by Mr. ST GERMAIN: Amend the title so as to read: "A bill to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remote service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes.".

The SPEAKER pro tempore. The question is on the title amendment offered by

the gentleman from Rhode Island (Mr. ST GERMAIN).

The title amendment was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ST GERMAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

CLARIFICATION REGARDING NOW ACCOUNTS

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I take this time to propound a question of clarification on the bill just passed to the chairman of the subcommittee.

As a member of the committee who has actively followed the progress of NOW accounts since their introduction in 1972, I would like to commend the gentleman from Rhode Island for his leadership in bringing this broadly based legislation to passage.

I would like to ask, is it the understanding of the chairman that these new instruments designed to improve banking services will be accorded equal treatment by the Federal Reserve so as to permit them to compete fairly with the more traditional third-party payment instruments such as checks?

Mr. ST GERMAIN. Mr. Speaker, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield to the chairman.

Mr. ST GERMAIN. I thank the gentleman for raising this important point. I assure the gentleman we do not intend to create two categories of transaction accounts. The Federal Reserve is currently processing checks, NOW's, share drafts and in-NOW's on the same terms and this legislation is premised on the assumption that this will continue to be the case.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I appreciate the gentleman's comments and concur completely in the view that the general business practice rather than legal terminology should be the criteria for processing payment instruments through the Federal Reserve System.

Mr. Speaker, I yield back the balance of my time.

PERSONAL EXPLANATION

Mr. CAVANAUGH. Mr. Speaker, I was present in the Chamber during the last vote and inadvertently did not have my vote recorded.

I would like the record to reflect I was present and would have voted "aye" had my vote been recorded.

EXPORT ADMINISTRATION ACT AMENDMENTS OF 1979

Mr. BINGHAM. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. BINGHAM).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 4034, with Mr. SEIBERLING in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Monday, July 23, 1979, all time for general debate on the bill had expired.

The Clerk will read.

The Clerk read as follows:

H.R. 4034

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—EXPORT ADMINISTRATION

SHORT TITLE

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I take this time for the purpose of asking the manager of the bill questions about the developments that have occurred in this legislation.

First, may I point out to the gentleman and the Members of the House that this bill is an extremely complicated measure dealing with extremely difficult and complicated subjects. If there is any Member of this body who does not believe the statement I have just made, I ask you to pick up a copy of H.R. 4034 and, particularly, if you have not been dealing with the subjects covered by this bill on a day in and day out basis or if you have not made a special attempt to understand the provisions of this bill, I defy any Member of this body to read the sections and tell me just exactly what the bill does.

Mr. Chairman, this is an export control bill. It is not a trade bill, although it certainly affects trade.

It is export control for three purposes.

First, it deals with control of items in short supply. In other words, to protect the domestic economy.

Second, Mr. Chairman, it deals with export controls for the purpose of effecting foreign policy.

Third, Mr. Chairman, and the one about which I am greatly concerned, it deals with export controls for the purpose of protecting the national security of the United States.

Mr. Chairman, this bill has been reported from the Committee on Foreign Affairs. It covers these three subjects. I would point out it is the latter, the control over the national security, where the Committee on Armed Services also retains jurisdiction. It is the House Committee on Armed Services that has the expertise and has the staff that has the expertise in matters affecting the national security of this country. Not the House Committee on Foreign Affairs.

□ 1250

I will agree that the House Committee on Foreign Affairs are the experts on controls to effect our foreign policy.

I would point out that this measure could very well involve the most important national security votes that the Members are going to cast this year. Why do I say that? Because of what has happened in recent years to the national security of this country.

Let me remind the Members of the House that in the field of strategic warfare we have gone from a position of nuclear monopoly in the 1950's, to a position of overwhelming superiority in the 1960's, to a position of essential equivalence today, whatever that means.

In the field of conventional warfare, the Members are acquainted with the numbers. They are horrifying.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. In the field of conventional military capability, the figures are horrifying, I say to the Members of the House; 7 to 1 in the case of tanks, 4 to 1 in the case of artillery pieces, 4 to 1 in the case of aircraft, 50 to 1 in the case of chemical warfare capability.

The only lead that we have over the Soviet Union today, our potential adversary, is in the field of technology. That is what we are dealing with today, technology, dual technology which has a military application as well as a commercial application. This bill is the result of several measures that were introduced dealing with controls for the purpose of items in short supply, items affecting foreign policy, items affecting national security.

One of those bills, H.R. 3216, was referred jointly to the Committee on House Armed Services and the Committee on Foreign Affairs. H.R. 4034 comes before this body under very unusual circumstances. All bills were referred to the subcommittee of the gentleman from New York (Mr. BINGHAM). The gentleman reported out one measure to the full committee. The full committee started work on the bill and dropped that and reported out H.R. 4034.

Now, H.R. 3216 dealt only with controls for national security purposes. I would state to the gentleman from New York that I am very much concerned that this bill covers so much, export controls for the purpose of protecting the domestic economy, and that is a broad complicated subject within itself; export controls for the purpose of affecting foreign policy is another broad subject. Export controls for the purpose of protecting the national security is another complicated subject and which is in the expertise of the Committee on Armed Services.

The gentleman from New York (Mr. WOLFF) was the author, the principal author of H.R. 3216. The gentleman has been very instrumental in attaching amendments to this bill in the interest of national security.

I would like to ask the gentleman from New York (Mr. BINGHAM). I am quite concerned about the elimination of

the reexport provisions on page 20 of the bill. This would permit a company within the United States, once it has exported technology to its foreign subsidiary to forget about any U.S. controls. If the foreign country had little or no controls, the technology could easily be transferred to our potential adversaries.

It is my understanding that the gentleman from New York (Mr. BINGHAM) has agreed with the gentleman from New York (Mr. WOLFF) to accept the gentleman's amendment eliminating subsection (3) on page 20; is that correct?

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I will have a colloquy with the gentleman from New York (Mr. WOLFF) when the gentleman offers that amendment. I do expect to express my opinion, but that amendment is one I have no objection to.

I think there should be some discussion of it at the time so that we have some legislative record; but I think it would be appropriate that that discussion take place when the amendment is offered.

Mr. ICHORD. Then I am very happy that the gentleman is accepting the amendment of the gentleman from New York.

Let me ask the gentleman from New York a question about indexing. I am very much concerned about that and I know the gentleman from New York (Mr. WOLFF) is concerned about it. Have the gentlemen worked out an agreement, will the gentleman from New York (Mr. WOLFF) offer such an amendment, and will the gentleman from New York (Mr. BINGHAM) accept such an amendment eliminating indexing?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield again, it is my understanding that the gentleman from Missouri (Mr. ICHORD) will offer the amendment on indexing and I shall be constrained to oppose that amendment.

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from New York (Mr. BINGHAM) that I held extensive hearings, as I stated, on H.R. 3216. We also discussed the provisions of this measure, H.R. 4034. I could not find a witness coming before the committee who was able to explain to me just what is meant by the language that is used in the indexing provision. All of the members of my staff, who are experts, technological experts, have been unable to explain to me what is meant by this language.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has again expired.

Mr. ICHORD. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, and I shall not object, but I must say, I find this unusual procedure. The normal procedure is to go ahead and read the bill and discuss the amendments as they come up.

The gentleman from Missouri is asking me a number of questions. I am not holding back anything, but it seems to me we will have to go over this again when the amendment is raised, so why try to do it now in advance?

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri (Mr. ICHORD) to proceed for 3 additional minutes?

There was no objection.

Mr. ICHORD. Mr. Chairman, this bill, I would state to the gentleman from New York, deals with the national security of the United States, and as I stated before, I think we are going to cast some of the most important votes that we are going to cast this year on national security.

The gentleman from New York has worked out several agreements with the gentleman from New York (Mr. WOLFF). I want to make sure just what has been worked out so I can understand the provisions of this bill, because there is a lot of vagueness, there are a lot of ambiguities.

Let me point this out to the gentleman from New York. Here is the way the matter of indexing has been explained. I do not know what we mean by "indexing."

Your committee report states as follows: "In subsection (g), it provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods or technology subject to licensing requirements under this section, in order that such requirements may be periodically removed as such goods or technology become obsolete."

This provision is particularly applicable to computers. How is it applicable to computers?

I direct the attention of the members of the committee to the language on page 16 and tell me what it means. I ask the gentleman from New York to tell me what it means.

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, I still do not understand why we discuss this now, rather than at the time when the gentleman presents his amendment; but let me give the gentleman a quick answer.

As the gentleman knows, technology is not something static. It changes constantly with advances in technology, and as it changes, items which have been critical, which have been closely held, become common knowledge and no longer can be regarded as critical.

Mr. ICHORD. Why is it particularly applicable to computers, though?

Mr. BINGHAM. Because computers are particularly susceptible to this type of advance. We have heard of generations of computers. There are generations of computers, and what a few years ago was an advanced computer, today is a very common computer. You can buy them in any retail store.

Mr. ICHORD. Does the gentleman mean to sit down and tell me that the 76 Siber computer will be obsolete technology 2 or 3 years from now, or 3 years from now?

Mr. BINGHAM. No; there was never any question, at least not so far as we know, that that particular computer should be licensed.

Mr. ICHORD. Mr. Chairman, I yield back the balance of my time, but I hope the gentleman can explain this language when we are actually debating the indexing amendment.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SECTION 101. This title may be cited as the "Export Administration Act Amendments of 1979".

FINDINGS

SEC. 102. Section 2 of the Export Administration Act of 1969 (50 U.S.C. App. 2401) is amended to read as follows:

"FINDINGS

"SEC. 2. The Congress makes the following findings:

"(1) Exports are important to the economic well-being of the United States.

"(2) A large United States trade deficit weakens the value of the United States dollar, intensifies inflationary pressures in the domestic economy, and heightens instability in the world economy.

"(3) Poor export performance is an important factor contributing to a United States trade deficit.

"(4) It is important for the national interest of the United States that both the private sector and the Federal Government place a high priority on exports, which would strengthen the Nation's economy.

"(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries.

"(6) The uncertainty of policy toward certain categories of exports has curtailed the efforts of American business in those categories to the detriment of the overall attempt to improve the trade balance of the United States.

"(7) The availability of certain materials at home and abroad varies so that the quantity and composition of United States exports and their distribution among importing countries may affect the welfare of the domestic economy and may have an important bearing upon fulfillment of the foreign policy of the United States.

"(8) Unreasonable restrictions on access to world supplies can cause worldwide political and economic instability, interfere with free international trade, and retard the growth and development of nations.

"(9) The export of goods or technology without regard to whether such export makes a significant contribution to the military potential of individual countries may adversely affect the national security of the United States.

"(10) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States.".

□ 1300

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 102 of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. In there objection to the request of the gentleman from New York?

Mr. ICHORD. Mr. Chairman, reserving the right to object, as I explained a while ago, controls for national security purposes comes under the joint jurisdiction of the Committee on Foreign Affairs and the Committee on Armed Services.

Now, this is an open rule. I have at least two amendments, perhaps three amendments, I would state to the gentleman from New York (Mr. BINGHAM), that I will offer on behalf of the Committee on Armed Services. They are not my amendments alone. They were approved unanimously by the Subcommittee on Research and Development.

I do not want to delay the consideration of this bill. I certainly do not want to inconvenience the gentleman from New York (Mr. WOLFF), who I know has several amendments to offer to this bill and who has recently been involved in an automobile accident, but I do want to make sure that I am able to be recognized to offer an amendment, particularly the one dealing with the transfer of critical military technology, which I consider a very important amendment.

Mr. Chairman, can the gentleman from New York (Mr. BINGHAM) assure me that I will be recognized without any limitations on time?

Mr. BINGHAM. Mr. Chairman, if the gentleman will yield, so far as it is within the power of this Member to give the gentleman that assurance, I am glad to give him that assurance. The gentleman's amendments come under section 104, which is a very long section running from page 6 to page 40 in the bill.

Of course, the members of the Committee on Foreign Affairs will have priority, and primarily that means the gentleman from New York (Mr. WOLFF) and I believe possibly the gentleman from California (Mr. LAGOMARSINO). Other than that, I know of no reason why the gentleman should not be recognized for that purpose in about 20 minutes or a half hour from now.

Mr. ICHORD. Twenty minutes or a half hour from now. How many amendments do we have pending now? Does the gentleman anticipate a long period of time on those amendments?

Mr. BINGHAM. No, I do not, because on some of the amendments the gentleman from New York (Mr. WOLFF) has to offer there will be no disagreement. There are amendments to sections 102 and 103, some of which are unfamiliar to me, and so I cannot give the gentleman a definite answer. But the amendments of the gentleman from Missouri (Mr. ICHORD) do not arise until section 104.

Mr. ICHORD. Mr. Chairman, the gentleman from New York (Mr. BINGHAM) is the manager of the bill, and I am sure the chairman of the committee will acquiesce in the wishes of the manager. Therefore, I will not object.

With that understanding, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. BINGHAM)?

There was no objection.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 4, line 7, delete the quotation mark and period at the end thereof and insert the following new paragraph thereafter:

"(11) Minimization of restrictions on exports of agricultural commodities and products is of critical importance to the maintenance of a sound agricultural sector, to achievement of a positive balance of payments, to reducing the level of federal expenditures for agricultural support programs, and to United States cooperation in efforts to eliminate malnutrition and world hunger.".

Mr. GLICKMAN. Mr. Chairman, basically this is a fairly simple amendment. It just adds a new finding to the bill which basically provides some additional support for agricultural exports and again creates the burden of proof to see to it that these agricultural exports should proceed forthwith. I think they generally are proceeding in a positive fashion, but I just want to make sure this language does appear in the bill.

So Mr. Chairman, I do offer this amendment at this time.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I would like to commend the gentleman from Kansas (Mr. GLICKMAN) on offering this amendment and providing us with this whole line of thinking.

I think so often we overlook the fact that were it not for the tremendous export capability of this country, our balance-of-payments problem would be probably even much worse than it is. We should keep reminding ourselves and our fellow citizens of the importance of agricultural exports, and I compliment the gentleman for offering this amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Missouri (Mr. SKELTON) for his remarks.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am glad to yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I have had occasion to examine the gentleman's amendment, and as far as I am concerned, we have no objection to it on this side.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I have also examined the gentleman's amendment, and I have no objection to it. I support it. It is certainly consistent with what we are trying to do in the bill, especially with regard to foreign policy considerations.

I accept the amendment for this side.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I want to commend the gentleman from Kansas (Mr. GLICKMAN) for this amendment, which I strongly support. The gentleman from Kansas and I have discussed the amendment. I give him my wholehearted support and compliment him for offering the amendment.

Mr. GLICKMAN. Mr. Chairman, I thank the gentleman from Washington (Mr. FOLEY) and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 102?

The Chair recognizes the gentleman from New York (Mr. SOLOMON).

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I have an amendment at the desk which amends various sections and various titles throughout the bill. It simply removes or strikes the word, "significant," throughout all those sections, and I ask unanimous consent that these amendments be considered en bloc at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BINGHAM. Mr. Chairman, reserving the right to object, I have not had a chance to examine the gentleman's amendment. I do not know its significance or the implications of making this change throughout the bill, and under those circumstances I am constrained to object.

I think the gentleman from New York (Mr. SOLOMON) should offer the amendments section by section. I must take that position at this time.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from New York (Mr. BINGHAM) continue to reserve his right to object?

Mr. BINGHAM. I continue to reserve my right to object, Mr. Chairman.

Mr. SOLOMON. Mr. Chairman, will the gentleman from New York (Mr. BINGHAM) yield to me?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I will state to the gentleman from New York (Mr. BINGHAM), for whom I have high respect and who certainly is very familiar with the bill, that the word "significant" appears throughout the existing law in this legislation, and if the gentleman from New York will read the first amendment referring to page 3, line 20, the amendment simply repeats these words throughout the entire bill, so it is very easy to understand.

It simply says that what we are doing is changing the phrase which says, "which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States of America." We simply change that phrase throughout the entire bill by removing the word "significant."

Mr. Chairman, I would like the op-

portunity to explain the amendment in that context.

Mr. BINGHAM. I must maintain my objection, Mr. Chairman. I think that the matter is not as simple as my colleague, the gentleman from New York (Mr. SOLOMON) has suggested, so I object to the unanimous-consent request.

The CHAIRMAN. Does the gentleman assert his objection?

Mr. BINGHAM. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Does the gentleman from New York (Mr. SOLOMON) offer an amendment?

Mr. SOLOMON. Yes, I do, Mr. Chairman.

Mr. Chairman, I would restructure my amendment to state: On page 3, line 20, strike the word, "significant," and so forth.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: On page 3, line 20; page 4, line 4; page 4, line 14; strike the word "significant" wherever it appears.

Mr. SOLOMON. Mr. Chairman, one of the loopholes in our policy as it now stands which jeopardizes U.S. security is the word, "significant," which appears throughout this bill.

Under the legislation, the Secretary of Commerce is required to restrict sales "which would make a significant"—and I repeat, "significant"—"contribution to the military potential of any other nation or nations which would prove detrimental to the national security of the United States." I think this is what the genleman from Missouri (Mr. ICHORD) was dwelling on when he spoke previously.

□ 1310

I think this is what the gentleman from Missouri was dwelling on when he previously spoke. It is precisely the Department of Commerce that has nullified the intent of this legislation by continuing to objectively interpret militarily important matters as insignificant.

I would bring to the attention of the Members an internal Carter administration memorandum concerning a computer sale to the Soviet Zil truck plant, which states that a quarter of the 200,000 trucks that Zil produces annually goes to the military, including 100,000 missile launchers. Nonetheless, State and Commerce both support approval, on the grounds that we have already licensed exports for this plant, that the military trucks are basically like civilian trucks anyway, and that 100,000 missile launchers out of a 200,000-vehicle annual production is small. That is according to Juanita Kreps. Two hundred thousand annual production is small? Missile launchers? What kind of rationale is that? At a time when Communist influence is spreading across the globe, at such a time our leadership should be concerned with our own security instead of exempting military equipment in such an offhand manner.

We must tighten this legislation for our own protection and safety.

I see nothing wrong with removing the word "significant" throughout this bill, but, in particular, out of this one section. I think it would clarify the intent of the legislation, which I am sure the gentleman from New York, the gentleman from Missouri, and most Members of this House would support.

I urge support of the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Mr. Chairman, as I stated before, this is an extremely complicated bill. I do not know whether the removal of the word "significant" would really accomplish anything or not, and I am afraid that it might prohibit the export of any item. What I am concerned about, I would say to the gentleman, is the export of critical military technology. "Significant" as used in the present legislation has always been used. There is some ambiguous language, I would state to the gentleman from New York, where you interchange "major" with "significant." But I see nothing wrong with "significant," as such. I do not quite understand what the gentleman is driving at.

Mr. SOLOMON. If the gentleman would just read that language, I think that one of the problems we have is the fact that the Secretary of Commerce, Juanita Kreps, has been interpreting too many things as not being significant.

I cited the example of 100,000 missile launchers being produced in the Kama River plant.

Mr. ICHORD. I agree with the gentleman on that case. But I wonder whether or not you might with the elimination of the word "significant" prohibit the export of practically every item.

Mr. SOLOMON. If the gentleman will just read the language, it says "* * * which could make * * *"—we strike the word "significant" right there—"* * * which could make a significant contribution to the military potential of any country or combinations of countries which would be detrimental to the national security of the United States."

If it is not going to be detrimental to national security, if we are selling them oil, for instance, or we are selling them other items, which is not going to prove detrimental to the national security of this country, then I do not see where we have a problem; but we do have a problem by leaving the word "significant" in there, because we leave it up to Juanita Kreps to interpret.

Mr. ICHORD. If the gentleman will yield, I do not know whether you could actually administer the law if significant is removed.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think the point of the gentleman from Missouri is a very valid one. I think what the gentleman seeks to achieve is something that we have sought to achieve in the entire bill of separating out what is significant and what is critical. If we dilute that in each particular case, we will dilute the significance of what we are trying to achieve in setting up a critical technology list.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment for the reasons suggested by the gentleman from Missouri and my colleague, the gentleman from New York.

I believe that to eliminate the word "significant" would create a great deal of confusion and probably exacerbate the problems of administration which this program has been bedeviled with. As we know, there are great delays in the consideration of licenses. If we eliminate the word "significant" and decide that the purpose is to consider any contribution to military potential whatever, no matter how miniscule, this is going to add enormously to the licensing burden. We are all agreed, those of us who have studied this legislation and have had hearings, that there is a lot of unnecessary paper work that goes on. We want to concentrate, as the gentleman from Missouri (Mr. ICHORD) has said, on militarily critical technologies.

Let me point out further that this word "significant" has been in the Export Administration Act since 1969 and was retained when this legislation was extended in 1974 and 1977. Incidentally, the reference that the gentleman from Missouri has made to the enormous scope of this legislation surprises me a little bit, because the scope is no different from the scope of the legislation when it was extended in 1974 and again in 1977.

So for these reasons I hope that the gentleman's amendment will be omitted. It was not something that we considered in committee. We had long hearings on this, both in subcommittee and full committee. It is something that comes to my attention today for the first time, and I think for the reasons that have been suggested, the amendment should be voted down.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

Mr. Chairman, I think what the gentleman seeks to achieve is, again, what we had hoped to achieve in committee. One aspect of this is that if you clutter the process with all of the various elements that are involved in trying to make a determination, as the gentleman would have us make, then we will never get to the point of really safeguarding the critical technology that we want to protect. Right now one of the most important problems faced by industry is the fact that we are so far behind with the granting of licenses that we are not able to devote sufficient time to protect those critical areas that we need to protect.

Mr. BINGHAM. I thank the gentleman for his contribution.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I share the concern of the gentleman from New York who has offered this amendment, but, like the

gentleman from Missouri and the gentleman from New York, I am afraid that this amendment goes in exactly the wrong direction.

It is vitally necessary that we adopt some legislation, because to fail to do so means there are no controls, which would be an infinitely worse situation than even the passage of this bill in its present form would be to the people who are concerned about some of its provisions.

There is no one, with the exception, perhaps, of the gentleman from Missouri and the gentleman from New York (Mr. WOLFF), who tried harder to tighten this bill up in the subcommittee and in the full committee than I did. I offered some 25 amendments. Some were adopted and others were not. Others were adopted in the full committee by other members of that committee. But it does seem to me that if we take out "significant," particularly in this subsection, that what we are saying is that there can be no export to Communist countries at all, because I think you can make a very good argument that when we export wheat, for example, to Russia we certainly free them up from spending the kind of resources in the growing of wheat that they would have to do otherwise, and that extra effort can go into munitions and technology, and so on. So unless we are prepared—and I certainly am not—to say we shall not export anything to any Communist country, I think we had better turn this amendment down, and we had better pay very close attention to the amendments that will be offered by the gentleman from New York (Mr. WOLFF) and the gentleman from Missouri (Mr. ICHORD). I will be supporting some of those amendments, as I did in committee. I think we ought to zero in on issues of importance and concern, those things that we can do something about and those things that we can control.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. SOLOMON).

The amendment was rejected.

The CHAIRMAN. Are there further amendments to section 102? If not, the Clerk will read.

The Clerk read as follows:

POLICY

SEC. 103. (a) Section 3 of the Export Administration Act of 1969 (50 U.S.C. App. 2402) is amended by amending paragraph (2) to read as follows:

"(2) It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the national security of the United States; (B) to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; and (C) to restrict the export of goods where necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the serious inflationary impact of foreign demand.".

(b) Such section is further amended—

(1) in paragraph (5) by striking out "articles, materials, supplies, or information" and inserting in lieu thereof "goods, technology, or other information";

(2) in paragraph (6) by striking out "articles, materials, or supplies, including technical data or other information," and inserting in lieu thereof "goods, technology, or other information"; and

(3) by adding at the end thereof the following new paragraphs:

"(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribtuion to the military potential of any country or combination of countries, which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments.

"(10) It is the policy of the United States that export trade by United States citizens be given a high priority and not be controlled except when such controls (A) are essential to achieve fundamental national security, foreign policy, or short supply objectives, (B) will clearly achieve such objectives, and (C) are administered consistent with basic standards of due process. It is also the policy of the United States that such controls shall not be retained unless their efficacy is annually established in detailed reports available to both the Congress and to the public, to the maximum extent consistent with the national security and foreign policy of the United States.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 103 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: Page 4, line 20, immediately after "responsibilities" insert ", including to restrict exports to countries which violate the principles of the Monroe Doctrine".

□ 1320

Mr. PEYSER. Mr. Chairman, it is seldom that the House has an opportunity at the time of particular crisis to really reflect and to express an opinion to the President as to how we feel on a specific issue.

At this time, as we all know, the Secretary of State and the President are engaged in efforts to resolve the issue of the Russian troops that are in Cuba today.

What this amendment does, is state that the President, knowing the will of the Congress, would have the right of restricting any trade to the Russians unless a solution is reached on the Russian troops who are presently located in Cuba.

I believe that the Soviets should have to choose between millions of bushels of wheat or the removal of their troops from the Western Hemisphere.

I would also like to suggest that this is a way of saying to the President, that we do not think the Senate should be placed in a position that they are trading off a SALT II agreement in order to get troops out of Cuba. The SALT II agreement has either got to stand or fall on its own and not be an item of trade-offs.

If there are any trade-offs that should be made, let us make them in trade. Let us find out what really is important to the Russians, and let us accept this amendment by overwhelmingly indicating that we simply are giving the authority to the President, letting the President know that the Congress feels that they too are deeply concerned over the Russians being in Cuba today. We want them out.

We want to give him this authorization, which he may use in his negotiations with the Russians, who are located in Cuba today, and with the Russian Government.

Mr. Chairman, this is a simple amendment. It does not dictate anything, but it simply provides an opportunity for the Congress to express its point of view on this issue.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I would like to ask the gentleman a question. Is it his view that at this time, so long as the Soviets maintain these troops in Cuba, that we should stop all exports to the Soviet Union?

Mr. PEYSER. Not at all, nor does this amendment do that. This amendment merely authorizes the President and states that he has the right, and it is the feeling of the House and letting him know how we voted on this, that we are concerned, if that is the way the House feels, with these Russian troops there; and he ought to have the right of using trade to terminate the arrangement.

Mr. BINGHAM. If the gentleman will yield further, I think this amendment goes much further than that.

This amendment occurs in a section which says:

It is the policy of the United States to use export controls to the extent necessary . . .

Then we go down to:

(b) to the extent necessary to restrict the export of goods and technology where necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities; including to restrict exports to countries which violate the principles of the Monroe Doctrine.

From what the gentleman has said, it seems to me that he does mean to refer there to the Soviet Union in connection with its maintenance of troops in Cuba. Therefore this, as I read it, would be a statement of policy that all exports to the Soviet Union should be stopped until those troops are withdrawn.

Mr. PEYSER. I appreciate the gentleman's comments. I think, in reading the bill, and I listened to him read it, it says, "where necessary," where the President deems it necessary, and it is true. Even though the amendment does not say the Soviet Union, I am speaking to the situation in Cuba, without question, but it is only where necessary. It does not dictate and say that the country cannot continue trade with the Soviets. It simply says that we are in a position, and we are letting the Congress speak out on an issue that I think we can easily speak out on here and express the concern that the people—certainly my constituents—have expressed that we do something and we let them know we are concerned. That is the reason.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has expired.

(At the request of Mr. BINGHAM and by unanimous consent, Mr. PEYSER was allowed to proceed for 3 additional minutes.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am happy to yield to the gentleman.

Mr. BINGHAM. I think that matter of interpretation is very important. I take his word that is what he means. I take it all he is saying is that in a situation of this kind, the President should consider the possibility of foreign policy controls on exports as one method of pursuing an objective. Is that so?

Mr. PEYSER. I would agree with the gentleman.

Mr. BINGHAM. On the basis of that interpretation, I have no objection to the amendment.

Mr. PEYSER. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I think perhaps the gentleman's amendment could be a little more artfully drawn, although as I sit here I am not able to do that.

As I understand it, there is not a similar provision in the Senate bill, so we will have that opportunity in conference.

I think what the gentleman is saying and the way he is explaining his amendment is very clear that this would only be an added tool for the President in determining whether or not to apply foreign policy controls.

Mr. PEYSER. That is correct.

Mr. LAGOMARSINO. With that understanding, I support the amendment.

Mr. PEYSER. I thank the gentleman.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GLICKMAN: On page 6, line 4, delete the quotation mark and following period at the end thereof, and insert the following new paragraph thereafter:

"(11) It is the policy of the United States to minimize restrictions on the export of agricultural commodities and products.".

Mr. GLICKMAN. Mr. Chairman, this is an attempt to conform language I earlier offered and the House accepted in the findings section into the policy section, and basically I think it does put into statutory language what is already existing law, that the United States should try to minimize to the extent feasible restrictions on the export of agriculture commodities and products.

I did utilize the word "minimize" at the suggestion of the gentleman from California (Mr. LAGOMARSINO).

I would ask for the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

I certainly believe this is the purpose of the bill, and if this adds to making that clear, I am in favor of the amendment.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I support the gentleman's amendment. Hopefully, the committee will adopt it.

Mr. GLICKMAN. I thank the gentleman.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 103?

If not, the Clerk will read.

The Clerk read as follows:

EXPORT LICENSES; TYPES OF CONTROLS

SEC. 104 (a) The Export Administration Act of 1969 is amended—

(1) by redesignating section 4 as section 7;

(2) by repealing sections 5 and 9;

(3) by redesignating sections 6, 7, 8, 10, 11, 12, 13, 14, and 15 as sections 11, 12, 13, 14, 16, 17, 18, 19, and 20, respectively; and

(4) by redesignating sections 4A and 4B as sections 8 and 9, respectively.

(b) The Export Administration Act of 1969 is amended by adding after section 3 the following new sections:

"EXPORT LICENSES; COMMODITY CONTROL LIST; LIMITATION ON CONTROLLING EXPORTS

"SEC. 4. (a) TYPES OF LICENSES.—The Secretary may, in accordance with the provisions of this Act, issue any of the following export licenses:

"(1) A validated license, which shall be a document issued pursuant to an application by an exporter authorizing a specific export or, under procedures established by the Secretary, a group of exports, to any destination.

"(2) A qualified general license, which shall be a document issued pursuant to an application by the exporter authorizing the export of any destination, without specific application by the exporter for each such export, of a category of goods or technology, under such conditions as may be imposed by the Secretary.

"(3) A general license, which shall be a standing authorization to export, without application by the exporter, a category of goods or technology, subject to such conditions as may be set forth in the license.

"(4) Such other licenses, consistent with this subsection and this Act, as the Secretary considers necessary for the effective and efficient implementation of this Act.

"(b) COMMODITY CONTROL LIST.—The Secretary shall establish and maintain a list (hereinafter in this Act referred to as the 'commodity control list') consisting of any goods or technology subject to export controls under this Act.

"(c) RIGHT OF EXPORT.—No authority or permission to export may be required under this Act, or under any rules or regulations issued under this Act, except to carry out the policies set forth in section 3 of this Act.

"NATIONAL SECURITY CONTROLS

"SEC. 5. (a) AUTHORITY.—(1) In order to carry out the policy set forth in section 3(2)(A) of this Act, the President may, in accordance with the provisions of this section, prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. The authority contained in this subsection shall be exercised by the Secretary, in consultation with the Secretary of Defense, and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses described in section 4(a) of this Act.

"(2)(A) Whenever the Secretary makes any revision with respect to any goods or technology, or with respect to the countries or destinations, affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision and shall specify in such notice that the revision relates to controls imposed under the authority contained in this section.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this section.

"(b) POLICY TOWARD INDIVIDUAL COUNTRIES.—In administering export controls under this section, United States policy toward individual countries shall not be determined exclusively on the basis of a country's Communist or non-Communist status, but shall take into account such factors as the country's present and potential relationship to the United States, its present and potential relationship to countries friendly or hostile to the United States, its ability and willingness to control retransfers of United States exports in accordance with United States policy, and such other factors as the President may consider appropriate. The President shall periodically review United States policy toward individual countries to determine whether such policy is appropriate in light of factors specified in the preceding sentence.

"(c) CONTROL LIST.—(1) The Secretary shall establish and maintain, as part of the commodity control list, a list of all goods and technology subject to export controls under this section. Such goods and technology shall be clearly identified as being subject to controls under this section.

"(2) The Secretary of Defense and other appropriate departments and agencies shall identify goods and technology for inclusion on the list referred to in paragraph (1). Those items which the Secretary and the Secretary of Defense concur shall be subject to export controls under this section shall comprise such list. If the Secretary and the Secretary of Defense are unable to concur on such items, the matter shall be referred to the President for resolution.

"(3) The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary. Such regulations shall provide interested Government agencies and other affected or potentially affected parties with an opportunity, during such review, to submit written data, views, or arguments with or without oral presentation. Such regulations shall further provide that, as part of such review, an assessment be made of the availability from sources outside the United States of goods and technology comparable to those controlled for export from the United States under this section.

"(d) MILITARY CRITICAL TECHNOLOGIES.—

(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how;

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance operation, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

"(3) The list referred to in paragraph (2) shall—

"(A) be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

"(B) provide for the removal of export controls under this section from goods the export of which would not transfer military critical technology to countries to which exports are controlled under this section, except for goods with intrinsic military utility.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

"(e) EXPORT LICENSES.—(1) The Congress finds that the effectiveness and efficiency of the process of making export licensing determinations under this section is severely hampered by the large volume of validated export license applications required to be submitted under this act. Accordingly, it is the intent of Congress in this subsection to encourage the use of a qualified general license, in lieu of a validated license, to the maximum extent practicable, consistent with the national security of the United States.

"(2) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a validated license under this section for the export of goods or technology only if—

"(A) the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party and, under the terms of such multilateral agreement, such export requires the specific approval of the parties to such multilateral agreement;

"(B) with respect to such goods or technology, other nations do not possess capabilities comparable to those possessed by the United States; or

"(C) the United States is seeking the agreement of other suppliers to apply comparable controls to such goods or technology and, in the judgment of the Secretary, United States export controls on such goods or technology, by means of such license, are necessary pending the conclusion of such agreement.

"(3) To the maximum extent practicable, consistent with the national security of the United States, the Secretary shall require a qualified general license, in lieu of a validated license, under this section for the export of goods or technology if the export of such goods or technology is restricted pursuant to a multilateral agreement, formal or informal, to which the United States is a party, but such export does not require the specific approval of the parties to such multilateral agreement.

"(f) FOREIGN AVAILABILITY.—(1) The Secretary, in consultation with appropriate Government agencies and with appropriate technical advisory committees established pursuant to subsection (h) of this section, shall review, on a continuing basis, the availability, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, of any goods or technology the export of which requires a validated license under this section. In any case in which the Secretary determines, in accordance with procedures and criteria which the Secretary shall by regulation establish, that any such goods or technology are available in fact to such destinations from such sources in sufficient quantity and of sufficient quality so that the requirement of a validated license for the export of such goods or technology is or would be ineffective in achieving the purpose set forth in subsection (a) of this section, the Secretary may not, after the determination is made, require a validated license for the export of such goods or technology during the period of such foreign availability, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(2) The Secretary shall approve any application for a validated license which is required under this section for the export of any goods or technology to a particular country and which meets all other requirements for such an application, if the Secretary determines that such goods or technology will, if the license is denied, be available in fact to such country from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that denial of the license would be ineffective in achieving the purpose set forth in subsection (a) of this section, subject to the exception set forth in paragraph (1) of this subsection. In any case in which the Secretary makes a determination of foreign availability under this paragraph with respect to any goods or technology, the Secretary shall determine whether a determination under paragraph (1) with respect to such goods or technology is warranted.

"(3) Whenever the Secretary of State, in consultation with the Secretary, has reason to believe that the availability of any goods or technology from sources outside the United States can be prevented or eliminated by means of negotiations with other countries, the Secretary of State shall undertake such negotiations. The Secretary shall not make any determination under this subsection with respect to such goods or technology until the Secretary of State has had a reasonable amount of time to conclude such negotiations.

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section. The Secretary shall include a detailed statement with respect to actions taken in compliance with the provisions of this paragraph in each report to the Congress made pursuant to section 14 of this Act.

"(g) INDEXING.—In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technology subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for annual increases in the performance levels of goods or technology subject to any such licensing requirement. Any such goods or technology which no longer meet the performance levels established by the latest such increase shall be removed from the list established pursuant to subsection (c) of this section unless, under such exceptions and under such procedures as the Secretary shall prescribe, any other Government agency objects to such removal and the Secretary determines, on the basis of such objection, that the goods or technology shall not be removed from the list.

"(h) TECHNICAL ADVISORY COMMITTEES.—(1) Upon written request by representatives of a substantial segment of any industry which produces any goods or technology subject to export controls under subsection (a) or being considered for such controls because of their significance to the national security of the United States, the Secretary shall appoint a technical advisory committee for any such goods or technology which the Secretary determines are difficult to evaluate because of questions concerning technical matters, worldwide availability, and actual utilization of production and technology, or licensing procedures. Each such committee shall consist of representatives of United States industry and Government, including the Departments of Commerce, Defense, and State and, in the discretion of the Secretary, other Government departments and agencies. No person serving on any such committee who is a representative of industry shall serve on such committee for more than four consecutive years.

"(2) Technical advisory committees established under paragraph (1) shall advise and assist the Secretary, the Secretary of Defense, and any other department, agency, or official of the Government of the United States to which the President delegates authority under this Act, with respect to actions designed to carry out the policy set forth in section 3(2)(A) of this Act. Such committees, where they have expertise in such matters, shall be consulted with respect to questions involving (A) technical matters, (B) worldwide availability and actual utilization of production technology, (C) licensing procedures which affect the level of export controls applicable to any goods or technology, and (D) exports subject to multilateral controls in which the United States participates, including proposed revisions of any such multilateral controls. Nothing in this subsection shall prevent the Secretary or the Secretary of Defense from consulting, at any time, with any person representing industry or the general public, regardless of whether such person is a member of a technical advisory committee. Members of the public shall be given a reasonable opportunity, pursuant to regulations prescribed by the Secretary, to present evidence to such committees.

"(3) To facilitate the work of the technical advisory committees, the Secretary, in conjunction with other departments and agencies participating in the administration of this Act, shall disclose to each such committee adequate information, consistent with national security, pertaining to the reasons for the export controls which are in effect or contemplated for the goods or technology with respect to which that committee furnishes advice.

"(4) Whenever a technical advisory committee certifies to the Secretary that goods or technology with respect to which such

committee was appointed have become available in fact, to countries to which exports are controlled under this section, from sources outside the United States, including countries which participate with the United States in multilateral export controls, in sufficient quantity and of sufficient quality so that requiring a validated license for the export of such goods or technology would be ineffective in achieving the purpose set forth in subsection (a), and provides adequate documentation for such certification, in accordance with the procedures established pursuant to subsection (f)(1) of this section, the Secretary shall take steps to verify such availability, and upon such verification shall remove the requirement of a validated license for the export of the goods or technology, unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States. In any case in which the President determines that export controls under this section must be maintained notwithstanding foreign availability, the Secretary shall publish that determination together with a concise statement of its basis, and the estimated economic impact of the decision.

"(i) MULTILATERAL EXPORT CONTROLS.—(1) The President shall enter into negotiations with the governments participating in the group known as the Coordinating Committee of the Consultative Group (hereinafter in this subsection referred to as the 'Committee') with a view toward accomplishing the following objectives:

"(A) Agreement to publish the list of items controlled for export by agreement of the Committee, together with all notes, understandings, and other aspects of such agreement, and all changes thereto.

"(B) Agreement to hold periodic meetings of such governments with high-level representation from such governments, for the purpose of discussing export control policy issues and issuing policy guidance to the Committee.

"(C) Agreement to reduce the scope of the export controls imposed by agreement of the Committee to a level acceptable to and enforceable by all governments participating in the Committee.

"(D) Agreement on more effective procedures for enforcing the export controls agreed to pursuant to subparagraph (C).

"(2) The President shall include, in each annual report required by section 14 of this Act, a detailed report on the progress of the negotiations required by paragraph (1), until such negotiations are concluded.

"(3) In any case in which goods or technology controlled for export by agreement of the Committee are exported from the United States to countries which participate in the Committee, no condition shall be imposed by the United States with respect to the further export of such goods or technology from such countries.

"(j) COMMERCIAL AGREEMENTS WITH CERTAIN COUNTRIES.—(1) Any United States person who, for commercial purposes, enters into any agreement with any agency of the government of a country to which exports are restricted for national security purposes, which agreement cites an intergovernmental agreement (to which the United States and such country are parties) calling for the encouragement of technical cooperation, and which agreement is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary.

"(2) The provisions of paragraph (1) shall not apply to colleges, universities, or other educational institutions.

"(k) NEGOTIATIONS WITH OTHER COUNTRIES.—The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for conducting negotiations with other countries regarding their cooperation in restricting the export of goods and technology in order to carry out the policy set forth in section 3(9) of this Act, as authorized by subsection (a) of this section, including negotiations with respect to which goods and technology should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions.

"FOREIGN POLICY CONTROLS

"SEC. 6. (a) AUTHORITY.—(1) In order to effectuate the policy set forth in paragraph (2)(B), (7), or (8) of section 3 of this Act, the President may prohibit or curtail the exportation of any goods, technology, or other information subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States, to the extent necessary to further significantly the foreign policy of the United States or to fulfill its international responsibilities. The authority granted by this subsection shall be exercised by the Secretary, in consultation with the Secretary of State and such other departments and agencies as the Secretary considers appropriate, and shall be implemented by means of export licenses issued by the Secretary.

"(2)(A) Whenever the Secretary makes any revision with respect to any goods, technology, or other information, or with respect to the countries or destination affected by export controls imposed under this subsection, the Secretary shall publish in the Federal Register a notice of such revision, and shall specify in the notice that the revision relates to control imposed under the authority contained in this subsection.

"(B) Whenever the Secretary denies any export license under this subsection, the Secretary shall specify in the notice to the applicant of the denial of such license that the license was denied under the authority contained in this subsection, and the reasons for such denial, with reference to the criteria set forth in subsection (b) of this section.

"(3) In accordance with the provisions of section 10 of this Act, the Secretary of State shall have the right to review any export license application under this section that the Secretary requests to review, and to appeal to the President any decision of the Secretary with respect to such license application.

"(b) CRITERIA.—In determining whether to impose export controls under this section, the President, acting through the Secretary and the Secretary of State, shall consider—

"(1) the likely effectiveness of the proposed controls in achieving their purpose, including the availability from other countries of any goods or technology comparable to goods or technology proposed for export controls under this section;

"(2) the compatibility of the proposed controls with the foreign policy objectives of the United States, including the effort to counter international terrorism, and with overall United States policy toward the country which is the proposed target of the controls;

"(3) the likely effects of the proposed controls on the export performance of the United States, on the competitive position of the United States in the international economy, and on individual United States companies and their employees and communities, including the effects of the controls on existing contracts; and

"(4) the ability of the United States Government to enforce the proposed controls effectively.

"(c) CONSULTATION WITH INDUSTRY.—The Secretary, before imposing export controls under this section, shall consult with such affected United States industries as the Secretary considers appropriate, with respect to criteria set forth in paragraphs (1) and (3) of subsection (b) and such other matters as the Secretary considers appropriate.

"(d) ALTERNATIVE MEANS.—Before resorting to the imposition of export controls under this section, the President shall determine that reasonable efforts have been made to achieve the purposes of the controls through negotiations or other alternative means.

"(e) NOTIFICATION TO CONGRESS.—The President in every possible instance shall consult with the Congress before imposing any export control under this section. Whenever the President imposes any export control with respect to any country under this section, he shall immediately notify the Congress of the imposition of such export control, and shall submit with such notification a report specifying—

"(1) the reasons for the control, the purposes the control is designed to achieve, and the conditions under which the control will be removed;

"(2) those considerations of the criteria set forth is subsection (b) which led him to determine that on balance such export control would further the foreign policy interests of the United States or fulfill its international responsibilities, including those criteria which were determined to be inapplicable;

"(3) the nature and results of consultations with industry undertaken pursuant to subsection (c); and

"(4) the nature and results of any alternative means attempted under subsection (d), or the reasons for imposing the control without attempting any such alternative means.

To the extent necessary to further the effectiveness of such export control, portions of such report may be submitted on a classified basis, and shall be subject to the provisions of section 12(c) of this Act. If the Congress, within sixty days after the receipt of such notification, adopts a concurrent resolution disapproving such export control, then such export control shall cease to be effective upon the adoption of the resolution. In the computation of such sixty-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die. The procedures set forth in section 130 of the Atomic Energy Act of 1954 shall apply to any concurrent resolution referred to in this subsection, except that any such resolution shall be reported by the appropriate committees of both Houses of Congress not later than forty-five days after the receipt of the notification submitted pursuant to this subsection.

"(f) EXCLUSION FOR FOOD AND MEDICINE.—This section does not authorize export controls on food, medicine, or medical supplies. It is the intent of Congress that the President not impose export controls under this section on any goods or technology if he determines that the principal effect of the export of such goods or technology would be to help meet basic human needs. This subsection shall not be construed to prohibit the President from imposing restrictions on the export of food, medicine, or medical supplies, under the International Emergency Economic Powers Act.

"(g) TRADE EMBARGOES.—This section does not authorize the imposition by the United States of a total trade embargo on any country. This subsection shall not be construed to prohibit the President from imposing a trade embargo under the International Emergency Economic Powers Act.

"(h) FOREIGN AVAILABILITY.—In applying export controls under this section, the President shall take all feasible steps to initiate and conclude negotiations with appropriate foreign governments for the purpose of se-

curing the cooperation of such foreign governments in controlling the export to countries and consignees to which the United States export controls apply of any goods or technology comparable to goods or technology controlled for export under this section.

"(i) INTERNATIONAL OBLIGATIONS.—The limitations contained in subsections (b), (c), (d), (f), (g), and (h) shall not apply in any case in which the President exercises the authority contained in this section to impose export controls, or to approve or deny export license applications, in order to fulfill commitments of the United States pursuant to treaties to which the United States is a party, or to comply with decisions or other actions of international organizations of which the United States is a member.

"(j) EXISTING CONTROLS.—The provisions of subsections (f) and (g) shall not apply to any export control on food or medicine or to any trade embargo in effect on the effective date of the Export Administration Act Amendments of 1979.

"(k) CONTROL LIST.—The Secretary shall establish and maintain, as part of the commodity control list, a list of any goods or technology subject to export controls under this section, and the countries to which such controls apply. Such goods or technology shall be clearly identified as subject to controls under this section. Such list shall consist of goods and technology identified by the Secretary of State, with the concurrence of the Secretary. If the Secretary and the Secretary of State are unable to agree on the list, the matter shall be referred to the President for resolution. The Secretary shall issue regulations providing for periodic revision of such list for the purpose of eliminating export controls which are no longer necessary to fulfill the purpose set forth in subsection (a) of this section or are no longer advisable under the criteria set forth in subsection (b) of this section.

(c) The Export Administration Act of 1969 is amended by inserting after section 9, as redesignated by subsection (a) of this section, the following new section:

"PROCEDURES FOR PROCESSING VALIDATED AND QUALIFIED GENERAL LICENSE APPLICATIONS

"SEC. 10. (a) GENERAL RESPONSIBILITY OF THE SECRETARY; DESIGNATED OFFICIAL.—(1) All export license applications required under this Act shall be submitted by the applicant to the Secretary. All determinations with respect to any such application shall be made by the Secretary, subject to the procedures provided in this section for objections by other agencies. The Secretary may not delegate the authority to deny any such application to any official holding a rank lower than Deputy Assistant Secretary.

"(2) For purposes of this section, the term 'designated official' means an official designated by the Secretary to carry out functions under this Act with respect to the administration of export licenses.

"(b) APPLICATIONS TO BE REVIEWED BY OTHER AGENCIES.—(1) It is the intent of Congress that a determination with respect to any export license application be made to the maximum extent possible by the Secretary without referral of such application to any other Government agency.

"(2) The head of any Government agency concerned with export controls may, within ninety days after the effective date of this section, and periodically thereafter, in consultation with the Secretary, determine the specific types and categories of license applications to be reviewed by such agency before the Secretary approves or disapproves any such application. The Secretary shall, in accordance with the provisions of this section, submit to the agency involved any license application of any such type or category.

"(c) INITIAL SCREENING.—Within ten days after the date on which any export license application is received, the designated official shall—

"(1) send to the applicant an acknowledgment of the receipt of the application and the date of the receipt;

"(2) submit to the applicant a written description of the procedures required by this section, the responsibilities of the Secretary and of other agencies with respect to the application, and the rights of the applicant;

"(3) return the application without action if the application is improperly completed or if additional information is required, with sufficient information to permit the application to be properly resubmitted, in which case if such application is resubmitted, it shall be treated as a new application for the purpose of calculating the time periods prescribed in this section; and

"(4) determine whether it is necessary to submit the application to any other agency and, if such submission is determined to be necessary, inform the applicant of the agency or agencies to which the application will be referred.

"(d) ACTION BY THE DESIGNATED OFFICIAL.—Within thirty days after the date on which an export license application is received, the designated official shall—

"(1) approve or disapprove the application and formally issue or deny the license, as the case may be; or

"(2)(A) submit the application, together with all necessary analysis and recommendations of the Department of Commerce, concurrently to any other agencies pursuant to subsection (b)(2); and

"(B) if the applicant so requests, provide the applicant with an opportunity to review for accuracy any documentation submitted to such other agency with respect to such application.

"(e) ACTION BY OTHER AGENCIES.—(1) Any agency to which an application is submitted pursuant to subsection (d)(2)(A) shall submit to the designated official, within thirty days after the end of the thirty-day period referred to in subsection (d), any recommendations with respect to such application. Except as provided in paragraph (2), any such agency which does not so submit its recommendations within the time period prescribed in the preceding sentence shall be deemed by the designated official to have no objection to the approval of such application.

"(2) If the head or acting head of any such agency notifies the Secretary before the expiration of the time period provided in paragraph (1) for submission of its recommendations that more time is required for review of the application by such agency, the agency shall have an additional thirty-day period to submit its recommendations to the designated official. If such agency does not so submit its recommendations within the time period prescribed by the preceding sentence, it shall be deemed by the designated official to have no objection to the approval of the application.

"(f) DETERMINATION BY THE DESIGNATED OFFICIAL.—(1) The designated official shall take into account any recommendation of an agency submitted with respect to an application to the designated official pursuant to subsection (e), and, within twenty days after the end of the appropriate period specified in subsection (e) for submission of such agency recommendations, shall—

"(A) approve or disapprove the application and inform such agency of such approval or disapproval; or

"(B) if unable to reach a decision with respect to the application, refer the application to the Secretary and notify such agency and the applicant of such referral.

"(2) The designated official shall formally issue or deny the license, as the case may be, not more than ten days after such official makes a determination under paragraph (1)(A), unless any agency which submitted a recommendation to the designated official pursuant to subsection (e) with respect to the license application, notifies such official, within such ten-day period, that it objects to the determination of the designated official.

"(3) The designated official shall fully inform the applicant, to the maximum extent consistent with the national security and foreign policy of the United States—

"(A) within five days after a denial of the application, of the statutory basis for the denial, the policies in section 3 of this Act that formed the basis of the denial, the specific circumstances that led to the denial, and the applicant's right to appeal the denial to the Secretary under subsection (k) of this section; or

"(B) in the case of a referral to the Secretary under paragraph (1)(B) or an objection by an agency under paragraph (2), of the specific questions raised and any negative considerations or recommendations made by an agency, and shall accord the applicant an opportunity, before the final determination with respect to the application is made, to respond in writing to such questions, considerations, or recommendations.

"(g) ACTION BY THE SECRETARY.—(1)(A) In the case of an objection of an agency of which the designated official is notified under subsection (f)(2), the designated official shall refer the application to the Secretary. The Secretary shall consult with the head of such agency, and, within twenty days after such notification, shall approve or disapprove the license application and immediately inform such agency head of such approval or disapproval.

"(B) In the case of a referral to the Secretary under subsection (f)(1)(B), the Secretary shall, within twenty days after notification of the referral is transmitted pursuant to such subsection approve or disapprove the application and immediately inform any agency which submitted recommendations with respect to the application, of such approval or disapproval.

"(2) The Secretary shall formally issue or deny the license, as the case may be, within ten days after approving or disapproving an application under paragraph (1), unless the head of the agency referred to in paragraph (1)(A), or the head of an agency described in paragraph (1)(B), as the case may be, notifies the Secretary of his or her objection to the approval or disapproval.

"(3) The Secretary shall immediately and fully inform the applicant, in accordance with subsection (f)(3), of any action taken under paragraphs (1) or (2) of this subsection.

"(4) The Secretary may not delegate the authority to carry out the actions required by this subsection to any official holding a rank lower than Deputy Assistant Secretary.

"(h) ACTION BY THE PRESIDENT.—In the case of notification by an agency head, under subsection (g)(2), of an objection to the Secretary's decision with respect to an application, the Secretary shall immediately refer the application to the President. Within thirty days after such notification, the President shall approve or disapprove the application and the Secretary shall immediately issue or deny the license, in accordance with the President's decision. In any case in which the President does not approve or disapprove the application within such thirty-day period, the decision of the Secretary shall be final and the Secretary shall immediately issue or deny the license in accordance with the Secretary's decision.

"(i) SPECIAL PROCEDURES FOR SECRETARY OF DEFENSE.—(1) Notwithstanding any other provision of this section, the Secretary of Defense is authorized to review any proposed export of any goods or technology to any country to which exports are controlled for national security purposes and, whenever he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of any such country, to

recommend to the President that such export be disapproved.

"(2) Notwithstanding any other provision of law, the Secretary of Defense shall determine, in consultation with the export control office to which licensing requests are made, the types and categories of transactions which should be reviewed by him in order to make a determination referred to in paragraph (1). Whenever a license or other authority is requested for the export to any country to which exports are controlled for national security purposes of goods or technology within any such type or category, the appropriate export control office or agency to which such request is made shall notify the Secretary of Defense of such request, and such office may not issue any license or other authority pursuant to the request before the expiration of the period within which the President may disapprove such export. The Secretary of Defense shall carefully consider all notifications submitted to him pursuant to this paragraph and, not later than thirty days after notification of the request, shall—

"(A) recommend to the President that he disapprove any request for the export of any goods or technology to any such country if he determines that the export of such goods or technology will make a significant contribution, which would prove detrimental to the national security of the United States, to the military potential of such country or any other country;

"(B) notify such office or agency that he will interpose no objection if appropriate conditions designed to achieve the purposes of this Act are imposed; or

"(C) indicate that he does not intend to interpose an objection to the export of such goods or technology.

If the President notifies such office or agency, within thirty days after receiving a recommendation from the Secretary of Defense, that he disapproves such export, no license or other authority may be issued for the export of such goods or technology to such country.

"(3) The Secretary shall approve or disapprove a license application, and issue or deny a license, in accordance with the provisions of this subsection, and, to the extent applicable, in accordance with the time periods and procedures otherwise set forth in this section.

"(j) MULTILATERAL REVIEW.—(1) In any case in which an application, which has been finally approved under subsection (d), (f), (g), (h), or (i) of this section, is required to be submitted to a multilateral review process, pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the license shall not be issued as prescribed in such subsections, but the Secretary shall notify the applicant of the approval (and the date of such approval) of the application by the United States Government, subject to such multilateral review. The license shall be issued upon approval of the application under such multilateral review. If such multilateral review has not resulted in a determination with respect to the application within sixty days after such date, the Secretary's approval of the application shall be final and the license shall be issued. The Secretary shall institute such procedures for preparation of necessary documentation before final approval of the application by the United States Government as the Secretary considers necessary to implement the provisions of this paragraph.

"(2) In any case in which the approval of the United States Government is sought by a foreign government for the export of goods or technology pursuant to a multilateral agreement, formal or informal, to which the United States is a party, the Secretary of State, after consulting with other appropriate United States Government agencies, shall, within sixty days after the date on which the request for such approval is made, make a determination with respect to the request for approval. Any such other agency which does not submit a recommendation to the Secretary of State before the end of such sixty-day period shall be deemed by the Secretary of State to have no objection to the request for United States Government approval. The Secretary of State may not delegate the authority to disapprove a request for United States Government approval under this paragraph to any official of the Department of State holding a rank lower than Deputy Assistant Secretary.

"(k) EXTENSIONS.—If the Secretary determines that a particular application or set of applications is of exceptional importance and complexity, and that additional time is required for negotiations to modify the application or applications, the Secretary may extend any time period prescribed in this section. The Secretary shall notify the Congress and the applicant of such extension and the reasons therefor.

"(l) APPEAL AND COURT ACTION.—(1) The Secretary shall establish appropriate procedures for any applicant to appeal to the Secretary the denial of an expert license application of the applicant.

"(2) In any case in which any action prescribed in this section is not taken on a license application within the time periods established by this section (except in the case of a time period extended under subsection (k) of which the applicant is notified), the applicant may file a petition with the Secretary requesting compliance with the requirements of this section. When such petition is filed, the Secretary shall take immediate steps to correct the situation giving rise to the petition and shall immediately notify the applicant of such steps.

"(3) If, within thirty days after petition is filed under paragraph (2), the processing of the application has not been brought into conformity with the requirements of this section, or, if the application has been brought into conformity with such requirements, the Secretary has not so notified the applicant, the applicant may bring an action in an appropriate United States district court for a restraining order, a temporary or permanent injunction, or other appropriate relief, to require compliance with the requirements of this section. The United States district courts shall have jurisdiction to provide such relief as appropriate.

"(m) RECORDS.—The Secretary and any agency to which any application is referred under this section shall keep accurate records with respect to all applications considered by the Secretary or by any such agency.".

Mr. BINGHAM (during the reading). Mr. Chairman, I ask unanimous consent that section 104 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, insert the following after line 13, and redesignate subsequent paragraphs accordingly:

"(3) If, in any case in which the President makes a determination under paragraph (1) or (2) of this subsection with respect to national security, the good or technology concerned is critical to United States national security and, if available to an adversary country, would permit a significant contribution to the military potential of that country, the President shall direct the Secretary of State to enter into negotiations with the appropriate government or governments in order to eliminate foreign availability of such good or technology.

Page 15, line 20, strike out "under" and insert in lieu thereof "of foreign availability under paragraph (1) or (2) of".

☐ 1330

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, I believe that this amendment offers a constructive addition to the foreign availability section of this bill, which was so carefully drafted by my colleague from New York (Mr. BINGHAM).

As written, the foreign availability section provides that the Secretary of State undertake negotiations to eliminate foreign availability of items to which the United States applies export controls, if he has reason to believe that such negotiations can be successful.

The subsection also states that validated export licenses should not be applied if foreign availability exists, unless the President determines that export controls should be maintained for national security purposes, despite foreign availability.

My amendment seeks to add the next logical step to this process. That is, if the President decides that export controls must be maintained despite the fact that the item is sold in another country, and the President feels that the item concerned is critical to U.S. national security, then the President should direct the Secretary of State to negotiate to eliminate that foreign availability. If the item concerned is important to our national security, the President will be mandated to try to keep controls on it, and secure the cooperation of another nation or nations producing the item in question. In this way, initiation of negotiations in this step of the process will depend upon the importance of the item, and not the judgment of potential success before negotiations begin.

If such negotiations fail to secure cooperation from the nation also producing the item, then of course the President can take any steps he feels are necessary to try to encourage cooperation, based upon the importance of the item to our security and military systems.

I believe that this amendment fits in nicely with the provisions already established in this subsection. It also relates very well to the "military critical technologies" section, which mandates the Secretary of Defense to complete the list of technologies and goods that are critical to our national security. Our export control policy will emphasize controls on commodities that are truly important to our national defense and security, and reflect the degree of importance of those items.

Mr. Chairman, I believe that this amendment is simply a logical extension of the provisions as drafted. I urge adoption of my amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. BINGHAM. I thank the gentleman for yielding.

My colleague from New York has already made great contributions to this bill and I think he, in proposing this amendment, is making a further contribution.

We have discussed the language and he has graciously accepted some suggestions we made in terms of clarifying the language. I am happy to say that I am supporting the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

With the language in the bill the administration has to believe negotiations can eliminate foreign availability before it even has to undertake such negotiations, so the administration could, say that foreign availability cannot be eliminated and no effort would be necessary to try to eliminate it.

With the gentleman's amendment, negotiations must be attempted whether there is reason to believe foreign availability can be eliminated or not, and at least in this way an effort will be made to try to find out and to try to eliminate it no matter what.

I called attention to this problem in the subcommittee; the full committee went part of the way. I support the gentleman's amendment because I think it removes a very serious flaw in the legislation.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield.

Mr. ICHORD. I want to commend the gentleman in the well for offering this amendment. I think it is a very important amendment. As the gentleman stated, if we are able to mandate the establishment of a critical military technology list it will really help in the administration of this act.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, insert the following after line 13 and redesignate subsequent paragraphs accordingly:

"(3) With respect to export controls imposed under this section, any determination of foreign availability which is the basis of a decision to grant a license for, or to remove a control on, the export of a good or technology, shall be made in writing and shall be supported by reliable evidence, including scientific or physical examination, expert opinion based upon adequate factual information, or intelligence information. In assessing foreign availability with respect to license applications, uncorroborated representations by applicants shall not be deemed sufficient evidence of foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment provides that, in making a finding of foreign availability under this section, that reliable evidence be used. The Commerce Department may not make such a finding, and thus decontrol the article, simply because the company making the application for an export license says that foreign availability exists.

This amendment was passed in the other body on Saturday, July 21 by voice vote. It was offered by Senator MOYNIHAN for Senator JACKSON. The amendment, as I propose it today, is in the form as it was amended by Senator STEVENSON. Administration representatives monitoring the debate had no objection to this amendment.

This subsection contains important and valuable new procedures for decontrolling commodities because those items are available for export in foreign countries. I think that these procedures will be very helpful to business, in that businesses will be free to compete in international markets when an item is truly available, unless there is some extraordinary national security control placed upon the item. In light of this new emphisis placed on foreign availability, it is essential that reliable evidence be received to determine whether a product of comparable quality and produced in sufficient quantity exists, and that decontrol of the item should occur. If reliable evidence is not presented, such decontrol because of foreign availability could lead to a signficant loophole in our export control process.

In the past the procedures on foreign availability have been inadequate, frustrating to business, and did not serve our export control policy well. A GAO report of this year, entitled "Export Controls: Need to Clarify Policy and Simplify Administration," was extremely critical of U.S. foreign availability considerations in the export licensing process. The report strongly criticized the lack of a standard of comparing goods available in foreign countries with proposed exports here. The report also found serious fault with the fact that no one really seemed to be in charge of developing this standard.

The legislation before us will go far in solving the enormous problems with foreign availability review that the GAO found. I believe that this amendment will insure that these constructive improvements will not permit any unwanted loopholes in the law.

I believe that this legislation, on the whole, is sending a strong signal to the business community that the U.S. Government wants to improve its performance on foreign availability, consistent with protecting our national security. As a former businessman myself, I know that business would not want to sell an item that is really damaging to our national security, if it got into the wrong hands. Therefore, I view this amendment as a logical addition to the improved foreign availability procedures, and an addition that will add to the intent of this section.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I am prepared to go along with the amendment. But I would like to say that I do not quite agree with the gentleman's characterization of the procedures we have been following. As a matter of fact, I think the amendment codifies the procedures that have been followed in the administration of the Export Administration Act.

We have had a number of cases brought before our committee where the authorities were too slow to find foreign availability. In some cases they eventually agreed with the company that there was foreign availability, but by that time it was so late that the exporters had lost the business.

We had that in a case that I brought to the attention of the House, the Cyril Bath case, where the French were selling a particular metal forming machine. Cyril Bath was able to enter into a contract to sell one such machine to the Soviet Union. They were held up for so long because of discussions and debates as to whether the French, in fact, were selling those machines. The French denied it. The company submitted evidence, and eventually the administration went along with that.

We have never, in the course of our discussions and hearings in the committee, been told of a case where foreign availability was found by the administration and should not have been found. In other words, the fault in the administration of the act, as far as we have been able to observe it, has been in the other direction, that they were too reluctant to find foreign availability. This meant the loss of business to American companies.

But since I believe this amendment requires sensible procedures, since these are the procedures, as I understand it, essentially now being followed, I have no objection to the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I am happy to yield to the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, I think the gentleman's amendment, like his previous one, tightens up the definition of foreign availability, because we must realize that if a technology is available from a foreign source, then our controls can, in effect, be thrown out the window. So it is a very, very important issue and I think that certainly reliable evidence should be produced to justify such a finding. I support the amendment.

□ 1340

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 16, insert the following after line 7:

"(5) Each department or agency of the United States with responsibilities with respect to export controls, including intelligence agencies, shall, consistent with the protection of intelligence sources and methods, furnish information concerning foreign availability of such goods and technologies to the Office of Export Administration, and such Office, upon request or where appropriate, shall furnish to such departments and agencies the information it gathers and receives concerning foreign availability.

Mr. WOLFF (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WOLFF. Mr. Chairman, this amendment would insure that adequate intelligence information is given to the Office of Export Administration in the Commerce Department concerning foreign availability of goods subject to export controls.

This amendment is important and necessary for two reasons. First it is clear that foreign availability was not given adequate attention in the past. A GAO report of March 1, 1979, specifically criticized the consideration of foreign availability in granting export licenses, particularly because no one was in charge of "developing and applying a standard for comparability." In other words, there is no criterion for judging whether an item produced in another country is of comparable quality or produced in sufficient quantity to warrant a finding of foreign availability, and thus decontrol the item. Insuring that the Office of Export Administration and the other departments having input into the licensing process, receive adequate intelligence information will help OEA determine correctly whether a good is truly comparable and a finding of foreign availability should be made.

Also, this legislation strengthens the provisions which decontrol items based on foreign availability. I think this will be a real step forward for the business community, which has been frustrated by the lack of a good foreign availability policy. However, as foreign availability will be given more consideration, we must insure that the OEA and other agencies are given all the necessary information to make the proper decision.

This amendment was offered by Senators JACKSON and BAYH in the other body, and amended by Senator STEVENSON. I am offering this amendment in the same form in which it passed, by voice vote, in the other body. This amendment represents a constructive addition to this subsection and I urge its adoption.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to my colleague from New York.

Mr. BINGHAM. Mr. Chairman, I am happy to concur not only, in this case, with the amendment, but with what the gentleman said about it.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding. On behalf of the minority I accept the amendment. I think it merely clarifies what "foreign availability" means by making sure that, in fact, it is foreign availability.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would like the attention of the gentleman from New York (Mr. BINGHAM). I believe the amendment offered by the gentleman from New York (Mr. WOLFF) clears up one of the questions that I had about section 4, and I think we ought to be clear that we establish a record because we could be setting up another intelligence-gathering operation within the Department of Commerce if we are not very careful. I read the language now in the bill which the gentleman's amendment does bear upon, beginning at the bottom of page 15:

"(4) In order to further effectuate the policies set forth in this paragraph, the Secretary shall establish, within the Office of Export Administration of the Department of Commerce, a capability to monitor and gather information with respect to the foreign availability of any goods or technology subject to export controls under this section.

Now, anyone who knows anything about critical military technology knows that this is a day-to-day intelligence-gathering operation. We have got to find out what is the level of technology of the potential adversary. We have got to know about our own level of technology. We have got to know about the level of technology of our allies, and this language standing alone, anyway, could justify the establishment of a separate intelligence unit in the Department of Commerce. I do not think this body wants to do that.

I would ask the gentleman from New York, is the legislative history clear that we are not establishing an intelligence unit within the Department of Commerce?

Mr. BINGHAM. If the gentleman will yield, I think that is correct, and the amendment of the gentleman from New York (Mr. WOLFF) I think makes that doubly clear, because it adds the fact that the intelligence agencies and others are to share information in this important field.

Mr. WOLFF. That basically is the purpose of this amendment, to make the intelligence community responsible.

Mr. ICHORD. In other words, the intelligence community will give this information to the Department of Commerce, and the Department of Commerce is not authorized to set up a new, separate intelligence unit itself?

Mr. WOLFF. As far as I am concerned, that is the purpose of this legislation.

Mr. ICHORD. I commend the gentleman for offering the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 15, line 12, insert "of foreign availability" after "determination".

Mr. WOLFF. Mr. Chairman, this is simply a technical amendment which corrects a problem I discovered in drafting my other amendments to the foreign availability section of the bill. I believe that this difficulty came about in the process of the various committee and subcommittee markups.

In paragraph f(1) the bill says that the Secretary of Commerce may not require a validated license if an item is available in another country, "unless the President determines that the absence of export controls under this section would prove detrimental to the national security of the United States." Then in paragraph (2) of this subsection referring to foreign availability determinations, the bill states "* * * the Secretary shall determine whether a determination under paragraph (1) is warranted."

This determination by the Secretary in paragraph (2) could be construed to mean that the Secretary shall determine whether a determination by the President in paragraph (1) is warranted.

Obviously, this is an unintentional result of the amending process, and clearly would not be used by any Secretary. However, in the interests of correcting this anomaly, and having the law read properly, I have offered this amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield.

Mr. BINGHAM. Again, the gentleman from New York has made a definite improvement in clarifying the intent of the language. I had difficulty reading that sentence myself as I reread it over the weekend, and I think this amendment clarifies the intent.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, on behalf of the minority I accept the amendment.

Mr. WOLFF. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WOLFF

Mr. WOLFF. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLFF: Page 20, strike out line 21 and all that follows through page 21, line 2.

Mr. WOLFF. Mr. Chairman, this amendment deletes the section in the bill which prohibits the United States from attaching any condition onto the reexport of goods that the United States has exported to any one of our COCOM allies.

I sympathize with the intent of my colleague from New York when he included this provision in his legislation. He points out that our COCOM allies, by participating in the Coordinating Committee, already have controls on the items to which we attach reexport conditions. Such conditions have irritated our allies in the past. In addition, our reexport controls have not always been effective.

However, while I agree with the gentleman that reexport controls are less than desirable, I do not believe that we should prohibit ourselves from utilizing them if we feel it is necessary. I feel that eliminating the possibility of using reexport controls could create an enormous loophole through which third country transfers could legally be made.

In addition, our COCOM allies do not always agree with our assessment of the need for control on some items. COCOM does not protect technical data as much as this Nation would prefer. Also, our COCOM allies do not always share our foreign policy objectives either. Where we might be very concerned about trade with certain Eastern bloc countries, our COCOM allies might view such trade with more enthusiasm.

I am personally very concerned over other foreign policy issues where this country might strenuously disagree with one of our COCOM allies on the reexport of a highly sensitive item to a country known to be aiding terrorists, or actively seeking to scuttle our foreign policy objectives in the Middle East, such as Libya for instance.

Finally, the Defense Department, in speaking for the entire administration had voiced concern over this section in testimony by Assistant Secretary, Dr. Ellen Frost, before the House Foreign Affairs Committee. Dr. Frost called reexport controls a "necessary evil," and maintained that, unfortunately, their use should not be prohibited at this time. The administration agrees that these controls should be used sparingly, and only when necessary and effective.

I feel very strongly about this issue. While I think that reexport controls should not be used excessively, I believe it is necessary to leave our options open at the present time to apply them if they are needed. I urge the adoption of my amendment.

□ 1350

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I would be happy to yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

This is a case where the same amendment was offered in the Committee on Foreign Affairs and I opposed it, and others opposed it, and it was defeated in the committee. Since then we have had occasion at the instance of my friend, the gentleman from New York (Mr. WOLFF), and also because of the interest of the gentleman from Missouri (Mr. ICHORD), to reexamine the whole proposition. There is something to be said on both sides.

One thing that should be pointed out, and that the committee should realize, is that no other country requires this type of second-degree controls, and so a part of the difficulty has been that we tend to irritate our COCOM partners by this dual procedure. I might add that the GAO in its study of export administration recommended that dual licensing be abandoned, and concluded that it would entail no diminution of control. On the other hand, on reexamination of the matter I have decided that on balance it probably is best to retain the dual licensing authority. The administration has taken that position all along, as the gentleman from New York (Mr. WOLFF) has just stated. It is true that there are certain items that we would not have the right to veto in COCOM if they were to be exported, and so on balance, and in consideration of all the major efforts that the gentleman has made in his contributions to this legislation, I recommend that the committee go along with the amendment.

Mr. WOLFF. I thank the gentleman.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

Again I want to thank the gentleman from New York (Mr. WOLFF) for what I consider to be the great service that he has rendered this body and rendered his country as a leader in perfecting this measure and as an author of H.R. 3216, taking a real leadership position in protecting the critical military technology of this country. I was quite concerned about the provision which the gentleman strikes with his amendment.

The CHAIRMAN (Mr. DANIELSON). The time of the gentleman from New York (Mr. WOLFF) has expired.

(At the request of Mr. ICHORD, and by unanimous consent, Mr. WOLFF was allowed to proceed for 2 additional minutes.)

Mr. ICHORD. I thought it was a loophole through which we could have driven a T-72 tank. For example, an international computer company here in the United States—and computer technology is one of the places where we have a tremendous lead over potential adversaries—could have transferred that computer technology to one of its subsidiaries in a NATO country that has rather weak controls, and then all controls whatsoever would have been lost over the computer technology which is very important to the military capability of the United States.

The Department of Commerce, the gentleman from New York (Mr. BINGHAM) stated, is in favor of this amendment, too, and I commend the gentleman from New York (Mr. WOLFF) for not only the leadership he has exerted but for his persuasive ability in persuading the administration and the gentleman from New York to accept this amendment.

Mr. WOLFF. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I will be happy to yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

I want to commend the gentleman in the well not only for offering the amendment but also for being so persuasive. I offered exactly the same amendment in committee and I did not fare as well as I think the gentleman is going to do here this afternoon.

Mr. WOLFF. It must be because I have a neck brace on.

Mr. LAGOMARSINO. As the gentleman said; several others have also mentioned this: The Department of Defense is strongly in support of this amendment. I believe I am not overstating the case when I say they consider this to be one of the most important amendments that will be considered and one they think will be most vital.

Eliminating reexport controls by the United States on technology transferred to COCOM countries provides a small but significant loophole for retransfer of technology to destinations that might prove detrimental to the national security of the United States. While there is general agreement on what should be controlled for export purposes, certain areas like technical data are exported by COCOM members without submitting those applications to COCOM.

The argument is made that we should not require dual reexport licensing along with COCOM, but we have no choice when there are areas where COCOM members do not require licensing.

I think until we have complete agreement on the types of controls to be reviewed by COCOM, we cannot rely on COCOM procedures to protect vital technology and technical data.

As I say, I commend the gentleman for his amendment and on behalf of the minority I accept it.

Mr. WOLFF. I thank the gentleman.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. DORNAN. I thank the gentleman for yielding.

I just want to enthusiastically get in line here to commend my chairman of the Narcotics Committee, the gentleman in the well (Mr. WOLFF), and associate myself totally with the remarks of the distinguished gentleman from Missouri (Mr. ICHORD) and my colleague, the gentleman from California (Mr. LAGOMARSINO). As the amendment process goes along today, I want to emphasize what both of these colleagues have said, and what the gentleman in the well has said, so eloquently, that al-

though this type of bill does not garner as much press attention as we would hope, we know we are dealing here with one of the most significant bills we can approach in the 96th Congress.

Mr. WOLFF. I thank the gentleman for his contribution.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

I want to commend the gentleman for his proposal. I certainly urge my colleagues to support the proposal. I think it is something that is extremely important for our own national security, and I urge our colleagues to vote in favor of the amendment.

● Mr. WOLFF. Mr. Chairman, I intended to offer two additional amendments that constitute a bill which I introduced on July 17, H.R. 4835. This proposal would place wheat and wheat flour under validated export licensing control, and charge export licensing fees on all such exports, except to developing countries. The fees would raise the price of wheat on international markets. The fees collected would be rebated, one-third to the farmers, one-third applied to reductions on Federal taxes on gasoline and heating oil; and the balance to help fund a program to develop alternate sources of energy.

The second amendment expresses the sense of the Congress that export controls should be imposed on nations engaging in inequitable trade practices on prices or supply of goods vital to our economy, such as petroleum. Thus the amendment urges the Commerce Department to apply controls on goods or technologies, other than food products, if such a policy appears to be an effective way to use some economic leverage.

The intent of these amendments, and my bill, is to try to use our economic leverage, where we have leverage, to secure the cooperation of nations which seem to be engaging in an economic warfare against us.

I do not intend for these amendments to commence counterproductive retaliatory moves. I do want to see the United States use any leverage that we have to fight the kind of economic blackmail to which OPEC countries have subjected this country.

By this proposal I am not suggesting that we can sidestep our need to conserve our energy resources, or develop new energy sources. This is of vital importance, and should be our highest national priority.

What I am getting at here is an effort to try to utilize our own economic leverage to meet this challenge. We are no longer the economic giant who can impose its will on other countries through economic sanctions. We do not control the world's economy to the extent that we once did. But we should try to use what leverage we do have to our own advantage.

This Nation is the world's grain reserve, the breadbasket of the world. In 1978, U.S. wheat exports were valued at $4.3 billion and proved 43 percent of the wheat traded internationally. OPEC nations import nearly 15 percent of U.S. wheat exports, and this provides OPEC countries with almost 50 percent of the wheat consumed in those countries. The U.S. imports 19 percent of OPEC's oil exports, and OPEC provides 38 percent of the oil used in this country.

In a recent Washington Post article, entitled "Using U.S. Wheat Against OPEC: Not as Farfetched as You Think," the author, Dan Morgan, claimed that we do have a great deal of leverage with regard to OPEC's wheat needs. The article states that the two criteria for U.S. economic leverage exist that it would be difficult for OPEC nations to do without our grain, and only this country and Canada can guarantee an ongoing supply of such magnitude.

If economic leverage is there with respect to wheat, I say that we can and should use it. We must try to do all that we can to try and stabilize oil prices.

There have been many of these so-called bushel of wheat for a barrel of oil proposals introduced into the House of Representatives. I think it is very important that this issue be raised in the Congress. All these proposals should be considered and thoroughly discussed and explored. The extent of our leverage, and the possibility of utilizing it should be the subject of extensive and intensive hearings by the relevant committees in the House. My bill, H.R. 4835, and another proposal I introduced, H.R. 4574, to establish a Council of Oil Importing Nations, were both referred to the Foreign Affairs Subcommittee on Economic Policy and Trade, chaired by my distinguished colleague from New York (Mr. BINGHAM). The gentleman from New York, chairman of the subcommittee, has assured me he will hold hearings on this bill; therefore, I shall not offer these amendments now and will await their determination at that time.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WOLFF).

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. FENWICK

Mrs. FENWICK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. FENWICK: Page 27, add the following after line 24 and redesignate the subsequent subsection accordingly:

"(k) COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.—The Secretary and the Secretary of State shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate before any license is approved for the export of goods or technology valued at more than $7,000,000 to any country concerning which the Secretary of State has made the following determinations:

"(1) Such country has repeatedly provided support for acts of international terrorism.

"(2) Such exports would make a significant contribution to the military potential of such country, including its military logistics capability, or would enhance the ability of such country to support acts of international terrorism.

Mrs. FENWICK. Mr. Chairman, I do not think that we need a great deal of discussion. We have had a long debate on this bill. The amendment speaks for itself. The definitions have been already determined in other sections of the bill, and in other legislation; and we all know about the recent acts of terrorism, of international terrorism, and what they are capable of doing. So I ask the adoption of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentlewoman for yielding.

I want to compliment the gentlewoman on her amendment and express my support for it.

Mrs. FENWICK. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentlewoman for yielding.

I support the amendment as well and accept it on behalf of the minority. As the gentlewoman knows, the amendment offered in the Committee on Foreign Affairs had some wording problem. Certainly there was no problem with the intent. This amendment is in perfect order.

Mr. BONKER. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from Washington.

Mr. BONKER. I thank the gentlewoman for yielding. I would like to join the others in commending her for this amendment. I think it was a lot more realistic than what was approved on the Senate side, and I hope that this amendment will prevail.

Mrs. FENWICK. I know the other body has a much more stringent provision. I think this is a sensible and wise amendment. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New Jersey.

The amendment was agreed to.

□ 1400

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 10, strike out line 17 and all that follows down through line 4 on page 12 and insert in lieu thereof the following:

"(d) MILITARY CRITICAL TECHNOLOGIES.—(1) The Congress finds that the national interest requires that export controls under this section be focused primarily on military critical technologies, and that export controls under this section be implemented for goods the export of which would transfer military critical technologies to countries to which exports are controlled under this section.

"(2) The Secretary of Defense shall develop a list of military critical technologies. In developing such list, primary emphasis shall be given to—

"(A) arrays of design and manufacturing know-how:

"(B) keystone manufacturing, inspection, and test equipment; and

"(C) goods accompanied by sophisticated operation, application, or maintenance know-how,

which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a significant advance in a military system of any such country.

"(3)(A) The list referred to in paragraph (2) shall be sufficiently specific to guide the determinations of any official exercising export licensing responsibilities under this Act; and

(B) The initial version of the list referred to in paragraph (2) shall be completed and published in an appropriate form in the Federal Register not later than October 1, 1980.

"(4) The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list.

"(5) The Secretary of Defense shall report annually to the Congress on actions taken to carry out this subsection.

Mr. ICHORD (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ICHORD. Mr. Chairman, as I stated earlier in the colloquy with the distinguished gentleman from New York (Mr. BINGHAM), I am offering this amendment, not on my own behalf but on behalf of the Research and Development Subcommittee of the House Committee on Armed Services.

This amendment was approved unanimously by the Subcommittee on Research and Development.

Mr. Chairman, I would state again for the benefit of Members who may not have been on the floor of the House at that time, we are now dealing with a subject that is directly under the jurisdiction of the House Committee on Armed Services. Granted, the House Committee on Foreign Affairs is the expert and has the expert staff members with regard to foreign policy but here we are dealing with the expertise of the House Committee on Armed Services, namely the protection of the national security.

I might state the most important subject with which we could possibly be dealing is the national security of the United States.

We are dealing with export controls for the purpose of protecting the national security of the United States.

When I first read the bill, I voiced concern about the vagueness and ambiguities in the legislation. I think there is reason for that, perhaps. This is an extremely complicated bill dealing with some extremely complicated subjects. Nevertheless, Mr. Chairman, I first thought the gentleman from New York (Mr. BINGHAM) was right in step with the thinking of the Department of Defense and right in step with the House Committee on Armed Services when he included this section "military critical technologies" on page 10 of the bill.

I would state it was the finding of a 1976 Defense Science Board, chaired by Mr. J. Fred Bucy, president of Texas Instruments, that we install a critical military technology approach in solving this problem with which we are faced in the field of export controls.

Mr. Chairman, I think I share the concern of all of the members of the House Committee on Foreign Affairs.

Mr. Chairman, I am not trying to restrict trade. Trade is very essential to the economic health and welfare of this Nation, but let me tell the members of the Committee on Foreign Affairs that even more essential to the health and welfare of this Nation is to protect our lead in technology. That is the only lead that we have today in the field of military affairs over our potential adversaries.

I went over the numbers a while ago. In tanks, we are outnumbered 7 to 1; airplanes, we are outnumbered 4 to 1; artillery pieces, we are outnumbered 6 to 1; and in chemical warfare we are outnumbered 50 to 1. Therefore, Mr. Chairman, we are dealing with the most crucial part of our military security, that is, our technological lead, the quality of our weapon systems.

Mr. Chairman, I concur with the 1979 Bucy Defense Science Board as do most of the experts in the research and development field and the entire Subcommittee on Research and Development.

They say, rather than concentrate on the end product one should concentrate on the critical technology behind that product.

Mr. Chairman, let me take some time in explaining this because it is an extremely technical matter. I am a generalist myself. I have a technical staff. I deal with a lot of technical problems. I might say that as a generalist I think I serve some purpose because sometimes the technologists cannot see the forest for the trees. They become too involved with the technical details.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ICHORD was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, we should not worry about exporting a particular commodity, which we are doing today. I would point out to the Members of this House that the man who ought to know, the Acting Director of the Export Administration Act has stated that our present export control program was a total shambles. I have that in the hearing record of the House Committee on Armed Services on H.R. 3216 dealing with this specific subject. Mr. Larry Brady testified it is an absolute shambles. He is the one who ought to know and I think the gentleman from New York (Mr. BINGHAM) will concur in that regard.

Let me say, Mr. Chairman, some Members of the House may disagree with me but I might not even object to the sale of 10 particular jet engines to a potential adversary. Ten jet engines in and of themselves might mean nothing. However, Mr. Chairman, I would object to the transfer of the manufacturing techniques or the metallurgical technology that goes behind the production of the jet engine blades. It is that about which we should be concerned.

There are several ways we can transfer our technological lead to our potential adversaries. We can do it through a scientific exchange program, we can do it through a technical data package. We can do it through turnkey packages, manufacturing processes and know how, or by maintenance and support capability.

I think this administration and past administrations have made a terrible mistake in building turnkey factories right in the countries that are our potential adversaries. That is where you transfer the manufacturing processes and know how. That is where you transfer the technological data of which I speak. That is where you transfer the maintenance and support technology. This is the export of our technological lead that we have.

Mr. Chairman, I will state to the Members of the House, I do not think we can keep our potential adversaries from some day getting this technology. I say that because they have a massive program to narrow the existing technological gap. They are doing it by clandestine methods, they are doing it by legal methods, they are doing it by illegal methods. Some day they are going to get it.

However, Mr. Chairman, we can delay them and maintain the only lead that we have: Our technology. We can delay them, say, for 10 years rather than 3 years.

□ 1410

That is extremely important, because that is how we measure a technological lead, in terms of time.

Now, when I first read the bill of the gentleman from New York, Mr. Chairman, I thought that I was in agreement with the gentleman as it appeared he was mandating the existence of a military critical technologies list; but after close reading, I find that the gentleman did not do that.

We took testimony, the Committee on Armed Services took testimony that this is the way to solve the problem. We can maintain a large trade in exports. We can maintain trade with the end product. Do not worry about the end product. Worry about the technology behind the production by establishing this military technologies approach.

I have testimony from Dr. Ruth Davis, who is head of the R. & D. in the Defense Department, Under Secretary for Research and Development. She says that she is ready to go with this critical military technologies approach. She stated personally to me that she can have the approach in place by October 1, 1980.

Now, the gentleman from New York in his bill, and I think the gentleman from New York is to be commended for at least recognizing the importance of this approach and the potential that it has, but the gentleman did not mandate the establishment of it.

Mr. Larry Brady, the Chairman of the Export Administration Board, testified they are ready to go with it within 1 year.

I will state to the gentleman from New York that this will solve the problem the gentleman is talking about. Even looking at this approach has resulted in the removal of 162 commodities from the export control lists, so I think it would

accomplish the objectives of the gentlemen on the Committee on Foreign Affairs to increase our trade, but still protect on national security.

Mr. Chairman, I would ask that the members of the committee give support to this amendment in the interests of national security.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

First of all, let me say, Mr. Chairman, that I agree with I think 90 percent of what the gentleman from Missouri has just said. I very much agree that military critical technologies are the heart of this matter of national security export controls. In fact, in the bill which I originally introduced, we tried to limit controls exclusively to military critical technologies. But we found we could not do that, because the Defense Department had been wrestling with the question of what is a military critical technology for 3 years and had not been able to come up with the answers. As of the time we had our hearings, they were still struggling with it. It is still a crucial idea, a crucial concept.

The gentleman from Missouri, in making his eloquent plea, sounded as if we had not provided for a list of critical technologies.

Let me call attention to pages 10, 11, and the beginning of 12 in the bill, which deal with the subject of military critical technologies. The bill recognizes that the national interest requires that export controls under this section be focused primarily on military critical technologies. Then it goes on to say:

> The Secretary of Defense shall develop a list of military critical technologies.

That is a mandate. If it is not, I do not know what is. It specifies what should go into the list. If you are a nonengineer, as I am, you will have difficulty understanding the specifications that are to be included in the list of military critical technologies that are set forth there on page 11, lines 4 through 9. But those are the very specifications that were taken right out of the Bucy report that the gentleman from Missouri (Mr. ICHORD) referred to. We take the Bucy report very, very seriously. We think it has brought a new and proper emphasis to the whole field of national security export controls.

Now, what the gentleman from Missouri did not make clear to us is just what his amendment does. It does not really change the language of the bill, except in a few respects. It follows it pretty closely. One thing it does is to eliminate this language which comes from paragraph (1) of subsection (d) on page 10: "export controls under this section be removed insofar as possible from goods the export of which would not transfer military critical technologies to countries to which exports are controlled under this section."

That is simply to emphasize the point that we are concerned with military critical technologies, and we want the agencies concerned to get rid of a lot of this underbrush which takes their time, which is not critical, which is not important, and let us get it out of the picture. That is all that sentence says, but it does not contradict what went before in paragraph (1), which is "that the national interest requires that export controls under this section be focused primarily on military critical technologies."

Now, another thing the Ichord amendment does, with which I quarrel, and I must say quarrel only mildly, is that the Ichord amendment sets a deadline for the completion and publication of the list at October 1, 1980, a year away. We simply do not know whether the Defense Department will be ready at that point or not. The gentleman has said they have told him they are ready. That is not our information. We understand they are still struggling with it. In any event, hopefully they will have it ready before October 1. Maybe it will be a little later. That is not a matter of the utmost importance, in our judgment, since the gentleman has modified his amendment to say that the original version of the list shall be completed and published in an appropriate form. The words "in an appropriate form," which were not in the gentleman's original version of this amendment, recognizes, I take it, that some of this material must be classified and cannot be published for anyone to read.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 5 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the distinguished gentleman yield on that point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from New York is correct in pointing out this is one of the differences between my amendment and the approach in the bill. It definitely does establish a critical military approach on October 1, 1980; but the gentleman stated that there was no evidence to the effect that it could not be established within that time. I would point out to the gentleman in the hearing record on H.R. 3216 that the Committee on Armed Services conducted is the testimony of Mr. Larry Brady, the Director of the Export Control Agency, who has been working on this matter with the Defense Department. Mr. Battista, a staff counsel, asked him this question:

> Can you achieve it in 180 days?
> Mr. BRADY. I do not think so.
> In what time frame do you think?
> Mr. BRADY. I think six months to a year perhaps. Six months to a year.

I would state to the gentleman from New York that I personally called Dr. Ruth Davis. She gave me the assurance, and Dr. Ruth Davis has the overall responsibility for the establishment of this approach, that she can put it into being in 1 year; so I have no doubt about their being able to institute the approach.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for his contribution.

May I say again that before our committee, the Defense Department, which has the responsibility for the preparation of the list—Mr. Brady, of course, has no responsibility for the creation of the list—was dubious as to whether it could be done within the matter of a year. But let me proceed, because that is just one of the three differences, and I think it is the least important difference between the version of the gentleman from Missouri (Mr. ICHORD) and the version of the bill.

□ 1420

The third point is the most important one. In the legislation, after the list has been developed, under paragraph (4) we say:

> The list of military critical technologies developed by the Secretary of Defense pursuant to paragraph (2) shall become a part of the commodity control list subject to the provisions of subsection (c) of this section.

Mr. Chairman, the amendment offered by the gentleman from Missouri (Mr. ICHORD) leaves out the last part of that sentence. In other words, under the proposal of the gentleman from Missouri, the list prepared by the Secretary of Defense becomes part of the control list without anybody else having anything to say about it. It is solely the responsibility of the Defense Department, and that is an area in which we and, I may say, the Defense Department also strongly disagree. We say that this total process of deciding what should be on the control list has been and should continue to be a joint process. The Defense Department has the leading role.

I want to emphasize that in no case has the Secretary of Commerce sought to override the Secretary of Defense on matters of a license issuance. The Defense Department is satisfied that the procedures that have been in effect before, bringing in other agencies, the Commerce Department and the State Department, should be continued.

It is that point on which I think we primarily differ. It is not on the question of the importance of focusing on military critical technologies.

Those are the three differences in the version offered to us by the gentleman from Missouri (Mr. ICHORD) and the bill before us which, as I say, emphasizes the importance of this concept.

Mr. Chairman, I hope that the Committee of the Whole will go along with the position recommended by the Committee on Foreign Affairs and will reject the amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield on that particular point?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the gentleman from New York (Mr. BINGHAM) has delineated the differences except in one respect. There is a third or a fourth major difference, and that, I would point out, is the result of an oversight by the people drafting the bill.

I direct the attention of the Members to page 11, line 10 of the bill, where this is stated:

> * * * which are not possessed by countries to which exports are controlled under this section and which, if exported, would permit a major advance in a weapons system of any such country.

That is not in keeping with the policy statement on page 4, and I read from page 4, line 12:

It is the policy of the United States to use export controls to the extent necessary (A) to restrict the export of goods and technology which would make a significant contribution * * *.

Mr. Chairman, when the bill uses "major" and "significant," in that manner, there is one heck of a difference, I would say to the gentleman from New York (Mr. BINGHAM).

The CHAIRMAN pro tempore. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, if I may respond to the gentleman from Missouri (Mr. ICHORD), the gentleman is quite right in pointing out that that is a difference. It is not a difference which I consider to be a significant one. If the gentleman believes it is and if his amendment is voted down and he wishes to offer an amendment simply to change the word, "major," to "significant," I would not oppose it.

Mr. BADHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would, first of all, like to commend the gentleman from Missouri (Mr. ICHORD) for his involvement in this in trying to protect military critical technologies, from improper export because it is essential to our defense effort to protect our technologies.

On the other hand, however, we are experiencing delays in the regulatory process and denials which are causing tremendous adversity to industry in the United States of America which is trying to do something about the export imbalance and the balance of trade deficit which is contrary to the interests of the United States of America.

One association which has a great deal of involvement in my district, the American Electronics Association, surveyed its more than 1,000 member companies, which is small in terms of all industry of the United States, on their export trade activities. They had a very good response. About 400 of the 1,000 responded to the inquiries that were sent, and they clearly demonstrated that the present export control system, where we are bounced around from State to Commerce to Defense, with no hope in some cases of any kind of a decision at all, results in the fact that jobs are lost and trade is lost.

It was revealed that in 1978 over $1 billion in sales in just one small segment of our economy was denied, not because it was going against military technology transfer in the critical sense but because there were export licensing delays and denials and just plain uncertainties. These losses contribute to our deficit in the balance of trade. They also contribute to the lack of employment increase in the United States as well as the loss of jobs for thousands of Americans.

Mr. Chairman, I commend the gentleman for preserving military critical technologies, and I hope, as this bill passes on its way through this House and beyond, that we can do something about the ridiculous denials, delays, and overregulatory processes that keep our country from being in the export market and cause the loss of American creditibility throughout the world as a reliable supplier.

Mr. Chairman, I commend the gentleman for offering this bill, and I commend the gentleman from Missouri (Mr. ICHORD) for offering this amendment. I hope that in the future we may put ourselves in a position where we allow people to export technology and export goods from this country, which can be done with no threat to our military defense.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distingiushed colleague, the gentleman from Missouri (Mr. ICHORD).

There is obviously a crying need to control the export of technology which would be detrimental to our national security. It makes little sense to make available to potential adversaries our most sophisticated technologies which would contribute to their military capabilities.

Incredibly, it is obvious from the testimony that we heard in the Subcommittee on Research and Development that this technology is very often clearly available to those people who would make themselves our adversaries today. Any sampling of the hours of testimony presented before the Subcommittee on Research and Development chaired by the gentleman from Missouri (Mr. ICHORD) on the issue of exporting military critical technologies reveals a frightening story of an almost unchecked flow of technology out of this country to other countries. This includes computer technology, micro-computer technology, micro-circuitry technology, electronic technology, optical technology, and laser technology, that goes into Soviet hands. Whether it goes directly, or indirectly by some other means, it is apparent that the control of military critical technology is woefully inadequate at the present time.

I think that the bill as submitted speaks to that particular problem, and I think that the Ichord amendment strengthens it and speaks even more clearly. These technologies are being shipped to the Soviet Union directly, and often they are sent indirectly.

The transfer of military critical technology is dramatically eroding our qualitative lead over the Soviet's military capability. And that is all we have right now, a qualitative lead. We do not have a quantitative lead.

The gentleman from Missouri (Mr. ICHORD) articulated the fact that we are woefully behind in tanks, in artillery, in airplanes, in aircraft, and in other areas.

The current export control mechanisms which this bill seeks to improve are unworkable. On one hand they inhibit our export trade, and on the other they permit vital technology to fall into the hands of those who would turn that technology against the United States of America.

The amendment offered by the gentleman from Missouri (Mr. ICHORD) seeks to strengthen the Export Administration Act by allowing the Secretary of Defense to develop a list of military critical technologies, not only to develop this list but do so quickly and in fact by a day certain.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, on that point I think the gentleman from New Jersey (Mr. COURTER) has put his finger on the point that is most important. This amendment is offered with a view of increasing trade, not decreasing trade. As I pointed out in my own statement, I think the gentleman from New York (Mr. BINGHAM) will agree with the Director of the Board, Mr. Larry Brady, when he says the present export control program is in a shambles.

□ 1430

This is all he had to say about 4034. If I thought 4034 would straighten up this shambles, I would not be offering this amendment, and I do not think the gentleman in the well would now be in the well.

Mr. Brady says:

The House bill also has another provision in it which is not workable.

Mr. ICHORD. What bill are you talking about now?

And I am reading from the report—

I am talking about 4034. When you take the deadlines together with the appeals procedures, I am firmly convinced that we will tie it into context. The effect of that will be that the business community will say accurately the system does not work, it needs changing, it needs replacing, it is no good.

It is in that spirit that I offer this amendment.

I commend the gentleman in the well for the remarks that he is making.

Mr. COURTER. I thank the gentleman for his observations. It is so true. To adopt the amendment, is to add clarity, making a date certain as to when a list of critical military technology would be written and made available.

I might add, basically, there was a statement made by an individual in the other body, which was repeated in the Defense/Space Daily on July 25 of this year.

In 1961, the Soviets attempted to obtain from the U.S. grinder machines used to mass produce ultra-high precision miniature ball bearings. Congress interceded and, with the support of President Kennedy, blocked this sale. However, the Soviets persisted and finally in 1972—12 years later—these machines were sold to the Soviets. In 12 years the Soviets could not master this technology, but finally we gave it to them.

This amendment speaks to that very critical problem, and I urge my colleagues on my side of the aisle and on the other side of the aisle to support it.

The CHAIRMAN. The time of the

gentleman from New Jersey (Mr. COURTER) has expired.

(On request of Mr. BINGHAM and by unanimous consent, Mr. COURTER was allowed to proceed for 1 additional minute.)

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, just in relation to the ball bearing cases, the Bryant Grinder case, the facts there were that for 12 years the industry, the exporters, were claiming that the Swiss were producing identical machines and they were getting the business with the Soviet Union. It took years for them to persuade the administration that that was the case. Finally foreign availability was established and the licenses were issued.

Mr. DORNAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am heartened to see that the amendment offered by the gentleman from Missouri (Mr. ICHORD) will tighten up this title I, the title that mandates the development of a list of critical technologies by the Secretary of Defense. If the Department of Defense does not have the capability to do this, then we are in worse shape than I would ever have imagined, and they better harness some of the multitude of Ph. D.'s they have over there to develop this expertise.

I was very pleased to see that the authors of this bill employed the suggestions of the report on export of technology for the Defense Science Board presented by Mr. Fred Bucy, president of Texas Instruments, namely, providing guidelines on design and manufacturing, keystone manufacturing, test equipment and goods of a militarily sensitive nature.

As much as I appreciate their efforts, I do not believe that the wording of the measure goes far enough in defining or clarifying the guidelines for the Secretary of Defense who is charged with developing a list of critical technologies. But in the interest of team play here, I will defer this year to the excellent amendment of the gentleman from Missouri. All the more reason to support him is that there are Members who feel, as I do, that we cannot be too specific in this area.

I ask my colleagues in the House to recall again what was just discussed, the 1972 sale of 164 Centalign-B precision grinding machines. They were used in the production of precision miniature ball bearings. The equipment produces small, pinhead-sized ball bearings of almost perfect uniformity. The sale was made by the Chucking Grinder Co. of Vermont. It was approved by the State Department. A significant use of precision ball bearings is in missile guidance systems used in this country and also in the Soviet Union. The Defense Department warnings were overridden more than once. The Soviet Union now has 7,100 MIRV warheads on heavy missiles, including the awesome heavy SS–18, which can now strike targets within a radius of 600 feet.

I ask my colleagues to also consider the 1976 plan for Control Data to sell the Soviets its most sophisticated computer, the Cyber 76 or 7600 series. That sale was canceled because many of the Members of this House—I circulated a list myself. I believe a record-breaking 315 signatures of the House Members blocked this sale by putting pressure on the administration. And, as we all remember now, there were only a small number of Cyber 7600 series computers in operation, and they are still only in the most sensitive or militarily critical agencies of the U.S. Government: The National Security Agency, the Energy Research and Development Agency, NASA, and the U.S. Air Force.

That Cyber 76 is still at least 40 times faster in processing information than its nearest Soviet counterpart. It is incredibly naive, as some members of the business and political communities would have us believe, that the Cyber 76 or a comparable computer would be used by the Soviets for purely peaceful, domestic purposes. It is incredible, indeed nightmarish, that such a sale was actually contemplated. We need assurance that such a sale is never contemplated again.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from New York.

Mr. BINGHAM. Our subcommittee had hearings on the ball bearings case 3 years ago and brought out all of the facts about foreign availability in that respect. I just point out in that regard that the test of the MIRV's occurred before any of the licenses were issued for those ball bearings.

On the Cyber 7600, we also had hearings.

It is not correct to say that export licenses were ever contemplated by anybody, certainly nobody in our committee.

The gentleman is correct in pointing out the Cyber 7600 is something we do not want to export to the Soviet Union, but the point I want to make is that nobody, in the control mechanism we have had, was in favor of that.

Mr. DORNAN. The gentleman had excellent committee hearings and allowed me to sit in on even some of the executive committee hearings. Those hearings certainly put the nails in the coffin of that sale.

We had a very new Secretary of Commerce then, and in a personal phone conversation with her office—I was not aware other people were listening in until they interrupted finally, and I asked them to identify themselves—she gave me the clear impression that it was indeed being contemplated.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. DORNAN. You recall a memorandum was discovered that showed Control Data was of the opinion that completely circumnavigated the State and Defense Departments of this country to build the largest computer in the world, even bigger, they hoped, than the current state of the art.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I think the record will show, will not the gentleman in the well and the gentleman from New York agree, that the Commerce Department was in favor of the export of the Cyber 7600? The Defense Department objected and, I believe, they had to go to the President for a resolution?

Mr. DORNAN. It was, at the White House; but there was divided opinion in the Commerce Department. The final decision never really came down from the new Secretary of that Department, Mrs. Juanita Kreps.

Mr. ICHORD. Certainly the Cyber 7600 was not quoted. The gentleman from California is correct.

I brought up another matter, which should be of great concern to this body, and that was the matter of the precision ball bearings.

I will state to the gentleman from New York—and this is another reason why this critical technology approach is so important—it would not have been so important if you had just transferred the precision ball hearings themselves. We didn't do that. We transferred the machinery to make ball bearings, which really put them in the position of making the precision ball bearings which can be used in MIRV'd missiles. This is what I am talking about. I doubt if they could engineer precision ball bearings themselves and make them in large quantities. It is the technology we are concerned about.

Mr. DORNAN. If I could add, the gentleman from New York is quite correct that the testing of some of these MIRV's had gone on before this particular sale. However, it is the constant increase in accuracy, down to very small differences, that transforms a MIRV'd warhead into a killer warhead capability.

Mr. ICHORD. Is it not generally agreed in the technological community that the Soviet Union could not have had the precision that they now have today if it had not been for the export of this technology?

Mr. DORNAN. Absolutely correct.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the distinguished gentleman from New York.

Mr. BINGHAM. The fact is that the Swiss were selling machines capable of producing the same degree of accuracy. It was that reason the licenses were issued. The Swiss were not just selling ball bearings; they were selling the machines to make the ball bearings.

□ 1440

That was the issue that was discussed at length in our hearings 3 years ago. We put out a report for the entire Congress. The significance of it was that as far as foreign availability that there was no way we could prevent that technology from being exported to the Soviet Union. The Swiss are not members of the——

Mr. DORNAN. If I could finish some

of my remarks and give me the time, I will certainly engage further in colloquy.

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(At the request of Mr. JOHN L. BURTON and by unanimous consent, Mr. DORNAN was allowed to proceed for 5 additional minutes.)

Mr. DORNAN. I thank the gentleman.

In his report to the Defense Science Board, Mr. Fred Bucy of TI also declared that the definition of technology must be used in a specific sense if the issues are to be clarified. That is his quote.

I agree with this statement and other statements of Mr. Bucy entirely, specifically when our national security is at stake.

The issue to be clarified is the relationship between the export of technology and our national security. The key to that relationship is the production of military weapons systems.

The relationship between technology and goods and the weapons systems of actual or potential adversaries, especially the Soviet Union, is critical. It mandates the Secretary of Defense to give emphasis to this bill and the amendment of the gentleman from Missouri (Mr. ICHORD) with even more specificity to advance the state of the art or emerging technology in the possession of the United States, which is indispensable to current or projected U.S. military systems.

In light of state of the art or emerging technology, we must take into consideration the fact that the military value of the new technology is time dependent. Dr. Ruth Davis, Deputy Under Secretary of Defense for Research and Engineering, has correctly pointed out that our national security has in recent times become increasingly dependent upon our military technological superiority, which in turn is based on maintaining our technological leadtime.

I conclude by noting that this problem includes the transfer of goods or products that may embody critical technologies of a military sensitive nature.

We simply must counter the export of goods, which through a process of reverse engineering, could facilitate the design and manufacture of military systems or reveal critical elements of the U.S. military system.

The Ichord amendment definitely helps to plug some of these leaks.

I remind all my colleagues that during the past 10 years approximately $10 billion annually has been expended on military R. & D. to maintain our lead in this military technology field; and for this past fiscal year our Congress has voted $12 billion for R. & D.

If it is true military security or military superiority is tied directly to maintaining a lead in the technological revolution, then we simply must make every effort to maintain that lead by preventing the transfer of militarily sensitive technologies upon which our security is based, even if we infringe—and I say this as a defender of free enterprise—occasionally on the side of an imbalance of payments or the free commerce in technology throughout this world in the West.

To do that, we must, as Mr. Bucy suggests, be specific, as specific as is humanly possible.

We must give the Department of Defense a clear indication of what guidelines this Congress wishes them to follow. There should be no doubt about the intentions of my colleagues in this matter. If we err, as a famous chairman of the Defense Committee in this House said for years, let us err on the side of security.

I urge my colleagues to support this excellent amendment by the gentleman from Missouri (Mr. ICHORD).

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

The gentleman from New York (Mr. BINGHAM), brought in the matter of availability in the case of precision ball bearings, which the gentleman from California raised.

I would point out to the gentleman from New York that is something we could argue about as nontechnologists particularly until doomsday as to whether that availability did exist.

Mr. DORNAN. An unusual choice of words.

Mr. ICHORD. This is what we are doing in this amendment. Yes, we are saying that the Department of Defense is the one who should decide whether there is critical military technology involved.

They are the ones who should decide the availability, because they have the intelligence. That is their duty. Now, the State Department has the responsibility in the case of foreign policy, but my God, let us not put the Secretary of Commerce in charge of the defense of this Nation.

I agree with the gentleman from New York, that is the main difference. The Secretary of Defense is responsible for the national security of this country.

Now, both the Secretary of Defense and the Secretary of Commerce are answerable to the President of the United States, who is Commander in Chief, but why not pinpoint responsibility? That is why we have such a shambles today. We do not pinpoint responsibility.

Mr. DORNAN. The reason, even though we have a slight quarrel here over degree, that I am so ecstatic over this bill, the chairman's hearings and the gentleman's contribution, the gentleman from Missouri (Mr. ICHORD), is that it emerges out of a long history of debate on these critical national security issues.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. ICHORD) has expired.

(At the request of Mr. DORNAN, and by unanimous consent, Mr. ICHORD was allowed to proceed for 1 additional minute.)

Mr. DORNAN. It is an old story for those interested in aerospace that the reason that the Mig-15 appeared as a swept-wing fighter in Korea that could outmaneuver and outaccelerate the F-86 is because the British sold them the main jet engine.

We have a problem not only with reverse engineering but with "eyeball technology transfer" that we cannot do anything about. That is an expression I have coined after I sat on the Ilyusin 76 and 86 aircraft at the Paris Exposition in 1977.

If you look at the Concorde and the Soviets' ill-fated Tupelov 144's, if you look at the Backfires as opposed to our B-1, if you look at their latest fighter technology—Aviation Week and Space Technology a few weeks ago showed they have copied our F-18, our A-10 and our F-15 and F-16, maybe through "eyeball technology", that is all the more reason we should not help them with critical technology or goods, as we have done in the Kama River truck factory, with computers to help them reverse engineer in addition to what they get stealing from all of the European countries through their agents.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to support the chairman of the subcommittee in opposition to the amendment of the gentleman from Missouri. I think the bill that he has written is a good one. I wish we had not adopted many of the amendments that we already have.

In my district, it sometimes takes as long as 16 months to get a license to export a very simple piece of machinery. There are thousands of workers within my district whose livelihoods depend on our ability to sell overseas.

It seems to me that we are being overprotective in our desire to see that we do not ship military technology abroad.

None of us wants to do that.

In defense of the subcommittee chairman, I would like to say that when the ball bearing incident occurred, the jurisdiction for this material was of course in another committee. That other committee continued the same kind of hearings that the gentleman conducted on the subject—that was the Banking Committee at the time—we found the same thing, that the exact material or machinery was available from the Swiss and could be sold and that was the reason for the issuance of that license.

With respect to Cyber 76, Mr. Chairman, that machine is made within my district.

If this country decided that it did not want to sell or to lease or to allow to be used on some kind of contractual basis by Russia, that machine, so be it; and I honor that decision, because I certainly do not want to give away any military technology. I would not like to have the House think there is any attempt by the employees or managers of that company to get around the U.S. restrictions, whatever they may be, whether they are good laws or bad laws.

Those are patriotic people. They are good people. What they were trying to do in that sale is to sell some technology

that was 20 years old to be used for international meteorological analysis, and in my judgment there was no reason not to sell the machine.

However, we decided not to sell it, and so that was done with.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I want to confirm the statement just made by the gentleman from Minnesota. Certainly no one should question the patriotism of the manufacturer of the Cyber 76, because they are not in a position to make the necessary decisions to protect our national security.

☐ 1450

This particular company should not be the one protecting the national security of the United States. Here the gentleman confirms my point. It should be the Secretary of Defense that has that responsibility. An individual company is not in a position to make that decision.

Mr. FRENZEL. I thank the gentleman for his contribution, but I want to be sure everybody knows that there is no intent to subvert whatever law might be on the books. I hope that point is clear.

The other point I want to make is this was a 20-year-old piece of technology.

The final point I want to make is that it still takes often a year to sell technology that has no military application whatsoever, because we have to wind our way through tortuous processes that involve department after department.

I think the language of the bill, which says that, if it is not military, then we will try to make it easier, makes a lot of sense. It makes sense particularly since we are running this enormous deficit in our balance of trade, and because we are nervous about our employment and we would like to have the U.S. employees producing goods for export. I think it is fine if we prohibit all of these sales of military technology, but let us leave the language the way it is. It specifies both. It says do not give away the military, but it also says let us make it easier to sell this stuff that is not military.

I certainly hope the amendment will be defeated.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the Ichord amendment. As the gentleman from Missouri has pointed out, in our technology race, if you will, with the Soviet Union, all we can really do is to delay technology. We have all seen how every technology that we have developed has been adopted sooner or later by the Soviets. But it is important that we continue to develop such technology and keep it out of the hands of our adversaries.

I think it is also very important, although it is not before us today, that we continue to make the kind of investments in research and development that are needed to stay ahead of our adversaries. This provision, the Ichord amendment, is a refinement of what is already in the bill, but it makes even more clear that we are serious about protecting military critical technologies.

For example, on pages 10 and 11 the Ichord amendment makes a change by stating something positively instead of negatively, as the bill presently does. The Ichord amendment would provide that export controls be implemented for goods, the export of which would transfer military critical technologies. The bill, as now written, takes the opposite viewpoint and says that goods should be removed from the list unless they affect our security.

It is really a matter, I think, of making sure that the correct signals are being sent to our adversaries and that we will not jeopardize our national security.

Incidentally, when this bill came out of the subcommittee and was before the full committee, Department of Defense officials told me that although the way the bill had been amended really took care of a lot of their problem insofar as the law would actually read, they were quite concerned that the wrong signals would be sent. It is a matter of emphasis.

The amendment further requires that the Defense Department proceed expeditiously with development of the military critical technologies approach. It has been working on that for 3 years and it should not be delayed any further than is required.

I believe that this amendment is a very important amendment. It is not as important perhaps as it once was, because we did make some changes in the bill. But we should not stop there. I think we should adopt this amendment, that will send the proper signal to our adversaries, that is, that we are serious about controlling our technology and that we do think that the Department of Defense should have a very important part to play in this whole process of trying to prevent our adversaries from gaining access to our military critical technology.

● Mr. DICKINSON. Mr. Chairman, I would like to voice my support for the rapid implementation of the military critical technologies approach to controlling the flow of U.S. military technology to our adversaries. Like the gentleman from Missouri, I am very concerned that our technological lead over the Soviet Union is rapidly eroding. This erosion is due both to Soviet efforts in developing their own technology base together with capitalizing on technology that has been directly transferred to them from the West.

This effort has led to recent Soviet advancement in high technology areas such as the development of: First, a highly accurate ICBM guidance system; second, a look-down/shoot-down interceptor aircraft; third, a killer satellite; fourth, an advanced submarine; and fifth, a new family of high speed computers.

There is virtually nothing we can do to stem the Soviets relentless pursuit of technological excellence through their own laboratory efforts—over the past 5 years they have outspent the United States by over $40 billion in this area—but we can help to protect our own technological breakthroughs by strengthening the military critical technology provision in this bill. I join my colleagues in asking for your support of his amendment.●

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and on a division (demanded by Mr. BINGHAM) there were—ayes 27, noes 9.

RECORDED VOTE

Mr. BINGHAM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 273, noes 145, not voting 16, as follows:

[Roll No. 456]

AYES—273

Abdnor	Edwards, Okla.	Kindness
Addabbo	Emery	Kogovsek
Akaka	English	Kramer
Alexander	Erdahl	Lagomarsino
Ambro	Erhel	Latta
Andrews, N. Dak.	Evans, Del.	Leach, La.
	Evans, Ga.	Leath, Tex.
Anthony	Evans, Ind.	Lee
Archer	Ferrano	Lent
Ashbrook	Fish	Levitas
Atkinson	Flippo	Livingston
Bafalis	Florio	Lloyd
Bailey	Foley	Losfler
Baldus	Ford, Tenn	Long, La.
Barnard	Fountain	Long, Md.
Bauman	Fowler	Lott
Beard, Tenn.	Frost	Lujan
Benjamin	Fuqua	Luken
Bennett	Gaydos	Lungren
Bereuter	Gephardt	McGlory
Bethune	Gilman	McDade
Bevill	Ginn	McDonald
Braggi	Glickman	McEwen
Boggs	Goldwater	McKay
Boner	Gonzalez	McKinney
Bouquard	Goodling	Madigan
Bowen	Gore	Marlenee
Breaux	Gradison	Marriott
Brinkley	Gramm	Martin
Brooks	Grassely	Mathis
Broomfield	Grisham	Mazzoli
Brown, Ohio	Guarini	Mica
Broyhill	Gudger	Michel
Buchanan	Guyer	Miller, Ohio
Burgener	Hagedman	Minish
Butler	Hall, Tex.	Mitchell, N.Y.
Bryon	Hammer-schmidt	Mollohan
Campbell		Montgomery
Carney	Hance	Moore
Chappell	Hansen	Moorhead, Calif
Clausen	Harsha	
Cleveland	Heckelr	Mottl
Clinger	Hefner	Murphy, N.Y.
Coelho	Heftel	Murphy, Pa.
Coleman	Hightower	Murtha
Collins, Tex.	Hillis	Myers, Ind.
Conte	Hinson	Natcher
Corcoran	Holland	Nelson
Cotter	Hollenbeck	Nichols
Coughlin	Holt	O'Brien
Courter	Hopkins	Oakar
Crane, Daniel	Horton	Panetta
Crane, Daniel	Howard	Pashayan
Crane, Philip	Hubbard	Patten
D'Amours	Huckaby	Paul
Daniel, Dan	Hughes	Perkins
Daniel, R. W.	Hutto	Pickle
Dannameyer	Hyde	Price
Davis, Mich.	Ischord	Quayle
Davis, S.C.	Ireland	Rahall
de la Garza	Jacobs	Railsback
Deckard	Jeffries	Regula
Derrick	Jenkins	Rhodes
Devine	Jenrette	Rinaldo
Dickinson	Johnson, Calif.	Ritter
Dornan	Jones, N.C.	Roberts
Dougherty	Jones, Tenn	Robinson
Ducan, Oreg.	Kazen	Roe
Ducan, Tenn.	Kelly	Rose
Early	Kemp	
Edwards, Ala.		

Roth	Solomon	Wampler
Rousselot	Spence	Watkins
Royer	St Germain	White
Rudd	Stack	Whitehurst
Runnels	Staggers	Whitley
Russo	Stangeland	Whittaker
Santini	Stanton	Whitten
Satterfield	Steed	Williams, Mont.
Sawyer	Stenholm	Williams, Ohio
Schroeder	Stratton	Wilson, Bob
Schulze	Stump	Wilson, C. H.
Sebelius	Symms	Wilson, Tex.
Sensenbrenner	Synar	Winn
Sharp	Tauke	Wolff
Shelby	Taylor	Wright
Shumway	Thomas	Wyatt
Shuster	Treen	Wydler
Skelton	Trible	Wylie
Slack	Ullman	Yatron
Smith, Nebr.	Van Deerlin	Young, Fla.
Snowe	Volkmer	Young, Mo.
Snyder	Walker	Zeferetti

NOES—145

Albosta	Findley	Nolan
Anderson, Calif.	Fisher	Nowak
	Fithian	Oberstar
Andrews, N.C.	Ford, Mich.	Obey
Annunzio	Forsythe	Ottinger
Ashley	Frenzel	Patterson
Aspin	Garcia	Pease
AuCoin	Glaimo	Pepper
Badham	Gibbons	Petri
Barnes	Gray	Peyser
Bedell	Green	Preyer
Bellenson	Hall, Ohio	Pritchard
Bingham	Hamilton	Pursell
Blanchard	Hanley	Rangel
Boland	Harkin	Ratchford
Bolling	Harris	Reuss
Bonior	Hawkins	Richmond
Bonker	Holtzman	Rodino
Brademas	Jeffords	Rosenthal
Brodhead	Johnson, Colo.	Rostenkowski
Brown, Calif.	Jones, Okla.	Sabo
Burlison	Kastenmeier	Scheuer
Burton, John	Kildee	Seiberling
Burton, Phillip	Kostmayer	Shannon
Carr	LaFalce	Simon
Cavanaugh	Lehman	Smith, Iowa
Chisholm	Leland	Solarz
Clay	Lewis	Spellman
Collins, Ill.	Lowry	Stark
Conable	Lundine	Stewart
Conyers	McCloskey	Stockman
Corman	McHugh	Stokes
Danielson	Maguire	Studds
Daschle	Markey	Swift
Dellums	Marks	Thompson
Dicks	Mattox	Traxler
Dingell	Mavroules	Udall
Dixon	Mikulski	Vander Jagt
Dodd	Mikva	Vanik
Donnelly	Miller, Calif.	Vento
Downey	Mineta	Walgren
Eckhardt	Mitchell, Md.	Waxman
Edgar	Moakley	Weaver
Edwards, Calif.	Moffett	Weiss
Erlenborn	Moorhead, Pa.	Wirth
Fary	Murphy, Ill.	Wolpe
Fascell	Myers, Pa.	Yates
Fazio	Neal	Zablocki
Fenwick	Nedzi	

NOT VOTING—16

Anderson, Ill.	Diggs	McCormack
Applegate	Drinan	Matsui
Beard, R.I.	Flood	Roybal
Carter	Gingrich	Young, Alaska
Cheney	Leach, Iowa	
Derwinski	Lederer	

☐ 1510

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Rhode Island for, with Mr. Lederer against.

Mr. MARLENEE and Mr. LUKEN changed their votes from "no" to "aye."

Mr. TRAXLER changed his vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENTS OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mr. GLICKMAN: On page 8, line 24, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

On page 23, line 6, insert the following new sentence immediately after the period: "Further, the Secretary shall include in the notice to the applicant of denial of such license what, if any, modifications in or restrictions on the goods or technologies for which the license was sought would allow such export to be compatible with controls implemented under this Section, or shall indicate in such notice which Departmental officials familiar with the application will be made reasonably available to the applicant for consultation with regard to such modifications or restrictions if appropriate.".

Mr. GLICKMAN. Mr. Chairman, I ask unanimous consent that the two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GLICKMAN. Mr. Chairman, the purpose of these amendments is to require the Secretary of Commerce in both cases where an application for an export license has been denied either for national security reasons or for foreign policy reasons, to give the applicant some reasons why it has been denied and to suggest to the extent feasible what modifications or restrictions on the technologies and goods for which the license is sought could be changed to be compatible with getting the items exported, or if that is too administratively difficult, at a minimum to let the applicant for the license know which department official is in charge of his license application so that that applicant can go to that person and find out what is wrong with the application and how the problem can be remedied. The reason for that, Mr. Chairman, is the fact that while many large businesses—whether they be the Boeing Co. or Cargill—have lobbyists up here and work very frequently with the department officials to find out whether export licenses can be approved or not, small businesses do not have that financial capability. So the purpose of the amendments, Mr. Chairman, is to require the Secretary to do one of two things. When an export license is denied by reason of national security control or foreign policy: First, he shall include in the notice to the applicant if there are any modifications or changes that need to be made in order to get the items exported; or, second, if he cannot do that, to let the applicant know who in the Department of Commerce will be made reasonably available to the applicant so that the applicant can then go back and try to work out something to get the items exported. The whole purpose is that the Department in effect already does this for big business, and all I am trying to do is to insure that all businesses have the capability to figure out how to cure any defects in their export licenses in order to insure that we can get goods reasonably exported without unreasonable delay.

I understand that the Department of Commerce was concerned in that the language of this amendment could bureaucratize even more their agencies. So I have structured the language to indicate that if the department in charge could not specifically indicate what was wrong with the export license, at a minimum that department would be required to let the applicant know who in the department was familiar with the application so that he could help the licensee out and get the license approved if possible. Basically, this amendment is just an incentive to try to get as many export licenses approved to the extent possible and try to help a lot of people in this country who cannot afford a Washington lobbyist to help them.

I think it is a straight forward and simple amendment.

☐ 1520

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from New York.

Mr. BINGHAM. I thank the gentleman for yielding.

We have had an opportunity to examine these amendments. We have no objection to them.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from California.

Mr. LAGOMARSINO. This whole bill is an attempt to balance between the attempt to make it easier to get the licenses to export noncritical technical goods and the desire on the other hand as was demonstrated by the last vote, to secure our security.

This amendment does what many of the speakers who opposed the last amendment does. It makes it easier for business to get licenses approved, it treats the little guy like the big companies are already treated. I think it is an excellent amendment and I strongly urge its adoption.

Mr. GLICKMAN. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore. The question is on the amendments offered by the gentleman from Kansas (Mr. GLICKMAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. ICHORD

Mr. ICHORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ICHORD: Page 16, strike out lines 8 through 23.

Redesignate the following subsections accordingly.

Mr. ICHORD. Mr. Chairman, I first wish to thank the members of the committee for the overwhelming vote on the last amendment that I offered.

As I pointed out on the previous amendment, this is not my amendment. This is an amendment unanimously reported by the Subcommittee on Research and Development of the House Committee on Armed Services. I reiterate this is not my amendment, it is an amendment of the House Committee on Armed Services.

Mr. Chairman, this amendment deletes section 5(g), the concept of indexing.

I apologize to the gentleman from New York (Mr. BINGHAM) for bringing the matter up out of order but I was so concerned about this particular provision of the bill, and as I stated, I asked my technologist on the Research and Development Subcommittee staff just what the language of section 5(g) meant, "indexing." I asked witnesses who came before the committee about the subject of indexing and no one could satisfactorily explain it to me.

The gentleman states on page 18 of the report:

> Subsection (g) provides that the Secretary may, where appropriate, establish an indexing system providing for annual increases in the performance levels of goods and technology subject to license requirements under this section, in order that such requirements may be periodically removed as such goods and technology become obsolete. This provision is particularly applicable to computers.

Again, I want to know about this provision. I do not understand it. Why is it particularly applicable to computers, I would ask the distinguished gentleman from New York (Mr. BINGHAM).

Mr. Chairman, I have not been able to get an answer.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield to me?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. BINGHAM. First of all, let me say, if the gentleman is puzzled by the word "indexing," I would point out that the text of the section that the gentleman would like to knock out of the bill does not use the word, "indexing." Indexing is sort of a shorthand way of referring to the process in which we are here interested, which is to have periodic removal from the list of goods and technology that no longer qualify as being necessary to control for export for national security reasons. That is all we are talking about. It is an authorizing section. It mandates nothing. As far as the gentleman's particular question is concerned, I thought it was generally understood—I certainly so understood it—that the technology of computers has been rapidly advancing, and what is an advanced computer today, 2 years from now may be old hat. That is all we are talking about.

Mr. ICHORD. That may be so, but one must take into consideration the level of our technology. One must take into consideration the level of technology of the potential adversary. How can the gentleman say with certainty, today, that a particular computer technology will be obsolete, say, 3 years from now?

Mr. BINGHAM. Mr. Chairman, all we here ask for is that where appropriate the Secretary issue regulations to provide for periodic renewal of the examination of the list. I should think the gentleman would agree that, as items become no longer critical, they should be taken off the list so the people over there do not have to bother with it.

Mr. ICHORD. Let me take the distinguished gentleman from New York through this bill. Let us go to page 10. The gentleman already has that authority. If that is all the gentleman was doing by this language I would be little concerned.

Let us refer to page 10 of the bill. I read this language:

> The Secretary shall issue regulations providing for continuous review of the list established pursuant to this subsection in order to carry out the policy set forth in section 3(2)(A) and the provisions of this section, and for the prompt issuance of such revisions of the list as may be necessary.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. ICHORD was allowed to proceed for 5 additional minutes.

Mr. ICHORD. Mr. Chairman, section 32(a) refers to controls for national security purposes.

Here the Secretary of Commerce has the authority for continuous review of the control list. He can take them off. Certainly we should not keep controls on piston engines, for example. I rather doubt if we should keep controls on just the ordinary jet engine. If you had a jet engine involving critical military technology, perhaps you should.

I thank the gentleman for his explanation. It makes me reiterate that I believe the Committee should support the House Committee on Armed Services in its unanimous reporting of this amendment.

Let me again point out to the Members, Mr. Chairman, the only place where we have a lead over our potential adversaries is in the field of technology, and particularly in the field of computer technology.

As the gentleman has explained, this indexing concept envisions the establishment of thresholds below which goods or technology would no longer be subject to controls.

Another example might be the case, as the gentleman stated, of a computer where a certain speed or memory capacity might be set as a threshold for, say, January 1, 1980. On that date all controls would be removed from computers. The gentleman says this is especially applicable to computers. Having a speed or capacity less than the established threshold.

Mr. Chairman, I submit this concept is flawed in two respects. First, it is an attempt to forecast technology in advance and predetermine the state of the art at a given time. I submit this is a very dangerous way to establish our export controls.

One cannot tell whether a particular technology, today, is going to be obsolete on January 1, 1980, or January 1, 1981. We already have the authority on page 10 to review the items on the control list. I think it particularly dangerous to proceed with such a vague, ambiguous control concept. Let us not fool around with computers where we certainly have a lead over the Soviet Union.

□ 1530

This is the only place that we have the lead. For the benefit of those Members who were not here when I submitted the first amendment, let us face it. In terms of numbers, we are out of the ball park. The gentleman from Florida (Mr. BENNETT) and the chairman of the full Committee on Armed Services who sit in front of me, know the numbers, they know we are outnumbered 7 to 1 in tanks. They know we are outnumbered 4 to 1 in aircraft. They know we are outnumbered 6 to 1 in artillery pieces. They know we are outnumbered 50 to 1 in chemical warfare. The only place where we have a lead is in technology, and again I reiterate, especially computer technology.

Let us not open up the gate and lose that particular lead; so on behalf of the Committee on Armed Services, I hope that the Committee will also adopt this amendment.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment. Again, we are in substantial agreement that it is desirable for the list to be constantly reexamined so as to take off those items which need no longer be controlled.

This section, which is entirely permissive with the Secretary of Commerce, does not mandate anything. The purpose of it is to encourage setting up a system for taking items off the list, so that it will not be a case of items being taken off one by one or two by two, which never catches up with obsolescence.

The number of export license applications is increasing by about 20 percent per year. It is currently running at an annual rate of close to 80,000. This is causing all kinds of delays which our friends in the export industry have complained to all of us about.

Now, in order to encourage the administration to do a better job and a quicker job of taking items off the list that should no longer be on it, we have included this provision urging and authorizing the Secretary to set up a system of doing this in an orderly fashion.

Let me point out that in the provisions of the paragraph that we are talking about, if any goods or technology are proposed to be removed from the list pursuant to that system, any of the interested departments, including the Defense Department, can object. That takes the automaticity out of the process. That is in the second paragraph of subsection (g). There is no danger of anything happening automatically that the Defense Department disapproves of. They will have their opportunity. It just will encourage a better and more efficient system of taking items off the list that should no longer be on the list.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I would ask the distinguished gentleman from New York if the gentleman took testimony from the technologists as to how accurately they could predict the level of

technology? This is my concern. Here we are going to try to predict the level say of computer technology in 1982.

Now, you have got to not only predict the level of our own technology, you have to predict the level of the adversaries, what the level of technology of the adversaries is going to be and what the technology of our allies will be.

The gentleman has brought up availability. How accurate can you be? That is my concern.

Mr. BINGHAM. Mr. Chairman, the testimony we had on this from industry in particular was that we can do it. We are proposing a similar system in COCOM. It is being discussed in COCOM currently.

Again I say, if DOD thinks it is going too fast or something is going to be taken off that should not be taken off, DOD can object to it.

Mr. ICHORD. But DOD cannot stop it if they object to it. That is the question that I would ask the gentleman.

Mr. BINGHAM. Sure. The gentleman knows DOD has not been overriden by the Secretary of Commerce on any of these national security items.

Mr. COURTER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from New Jersey.

Mr. COURTER. Mr. Chairman, I thank the gentleman for yielding. I have basically a couple inquiries.

First, I think the gentleman said that this does not mandate the Secretary to do anything at all. My reading on line 17 says, "the latest such increase shall be removed from the list."

That seems to be mandatory, The word "shall" seems to be mandatory.

Second, I would give the gentleman a chance to respond to both these inquiries; in that same area, starting on line 15 it reads:

> Any such goods or technology which no longer meet the performance levels established by the latest such inquiries.

My problem there is that the latest such inquiries could very well be an increase in the technology solely within the United States of America. I think in order to protect, in order to give substance to the balance of the particular bill, particularly to the Ichord amendment, we have to make sure that we are not giving or not selling technology which may not be the latest here, but nevertheless, which may be two or three generations ahead of foreign technology, Soviet technology, if you will. If the gentleman would respond to those two inquiries.

Mr. BINGHAM. Mr. Chairman, I certainly would agree with the gentleman that what is obsolete here is not necessarily obsolete in the Soviet Union. Certainly the gentleman is correct about that.

The CHAIRMAN. The time of the gentleman from New York (Mr. BINGHAM) has expired.

(By unanimous consent, Mr. BINGHAM was allowed to proceed for 2 additional minutes.)

Mr. BINGHAM. Mr. Chairman, the answer to the first question the gentleman raises, about the word "shall" in line 17, is that that it refers to a system or set of regulations which the Secretary, under the first sentence of subsection (g), is authorized to establish. In other words, if the Secretary sets up this kind of a system, which we in the committee would hope that she would be able to do, then the removal of items in accordance with that system would occur, unless another Government agency objected.

Mr. COURTER. Mr. Chairman, my point, I believe, if the gentleman will yield further, is the fact that it will inevitably go into effect. The restraints would have to, therefore, be lifted, and the word "shall" is mandatory, provided, as the gentleman says, something else does not happen. The chances are perhaps that something else will not happen. The word "shall" therefore makes it mandatory and we have a problem, particularly when U.S. technology is advanced two or three stages beyond some foreign country's technology.

Mr. BINGHAM. Mr. Chairman, again let me say, the "shall" applies only if the Secretary has, pursuant to this paragraph, established the kind of system we are talking about, and that part of it is discretionary.

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to ask the distinguished chairman of the Subcommittee on International Economic Policy of the Committee on Foreign Affairs some questions because I want the legislative history and intent to be as clear as possible on this complex but important piece of legislation. And particularly this section of the bill.

Of course, I begin with the major premise which I believe every Member of this House accepts: that the national security, in a very literal sense, of our country, is the point of departure from which all of us operate. I certainly would not want to be a party to compromising our national security in any way, or in any manner, directly or indirectly. Nonetheless, within that context I would like to suggest that there is nothing of more import in economic terms—in transfer and exchange in the world today—than the computer. The computer is an important wave of the future; it travels at a breathtaking rate across all national and ideological barriers and boundaries. The technology of the computer can become obsolete, out of date, very, very quickly. That is what prompts my inquiry.

I wonder, Mr. Chairman, in view of the language of this particular section, what mechanism the gentleman and his committee colleagues considered when the requirements in the indexing provision in the section were adopted. They provide:

> In order to ensure that requirements for validated licenses and qualified general licenses are periodically removed as goods or technologies subject to such requirements become obsolete with respect to the national security of the United States, regulations issued by the Secretary may, where appropriate, provide for changes—

And so forth.

My question is: How will the needs of our national security be ascertained? I would like to know what mechanism will be used to determine what or which particular licenses are obsolete from the point of view of national security? Did the gentleman have in mind relationship between those two?

Mr. BINGHAM. No; that would be up to the Secretary to determine and to propose such a system. I would not be qualified to do that myself. I doubt if many people here would be qualified to do that. It would be something that would be established pursuant to this authorization and, again, I would say in the operation of it, it would be subject to objection from the Department of Defense if that Department chose to object.

□ 1540

Mrs. HECKLER. Mr. Chairman, I want to be sure I understand: Your reply is that there would be consideration by and a determination from the Department of Defense as to whether or not national security interests were to be served?

Mr. BINGHAM. Absolutely.

Mrs. HECKLER. That is the Defense Department would decide if the technology had become obsolete from the point of view of national security; is that right?

Mr. BINGHAM. Of course, yes.

Mrs. HECKLER. So an operational precondition to the act of indexing as it could be implemented under this language would depend upon a judgment by the Secretary of Defense that the particular equipment had become obsolete and would not adversely affect our national security?

Mr. BINGHAM. That is correct.

Mr. ICHORD. Mr. Chairman, will the distinguished gentlewoman yield on that point?

Mrs. HECKLER. I am happy to yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I think the distinguished gentlewoman from Massachusetts (Mrs. HECKLER) has brought up a very crucial point and I want to direct the Members to the exception. We will recall that the gentleman from New Jersey talked about the mandatory language, "shall," in lines 16, 17, and 18. Now, let us look at the exception.

First, the approach of the committee was to mandate the indexing. Now they have brought in an exception approach, and it goes like this: "* * * unless, under such exceptions and under such procedures as the Secretary shall prescribe,"—meaning the Secretary of Commerce—"any other Government agency objects * * * that the goods or technology shall not be removed from the list."

That language gives the Secretary of Commerce the responsibility for determining whether this is critical military technology or not. That is my point. The person who should be doing this is the Secretary of Defense.

Now, they are all working in the interests of the United States of America, but the Secretary of Commerce dealt solely with trade. Let me point out again we are dealing here with export controls for the purpose of protecting the national security of the United States, and that should be the responsibility of the Secretary of Defense, not the Secretary of Commerce and not even the Secretary of

State. The Secretary of State should be responsible for foreign policy control, the Secretary of Commerce should be responsible for trade controls, but the Secretary of Defense should be the one who is responsible for protecting the military security and the national security interests of the United States. My God, let us start pinpointing responsibilities. This is a responsibility of the Congress to pinpoint executive responsibility. I think the gentlewoman has brought up a very crucial point.

Mrs. HECKLER. Mr. Chairman, I would like to respond to my colleague the gentleman from Missouri.

The CHAIRMAN pro tempore (Mr. McKAY). The time of the gentlewoman from Massachusetts (Mrs. HECKLER) has expired.

(On request of Mr. BINGHAM, and by unanimous consent, Mrs. HECKLER was allowed to proceed for 3 additional minutes.)

Mrs. HECKLER. Mr. Chairman, it would seem to me that the section is capable of different interpretations, which is why I asked for this clarification.

In my view, the legislation before us would make major and necessary policy and procedural changes in the current export control process, a process which has been called "draconian and inflexible" by U.S. exporters. At the same time, the legislation will certainly preserve vital U.S. national security and foreign policy interests. The net result of H.R. 4034 will hopefully be the enhancement of legitimate U.S. export trade.

I say "hopefully," Mr. Chairman, because the utility of the reforms included in this legislation will be to a great extent dependent upon subsequent actions taken by both the Department of Commerce and the Department of Defense.

For example, H.R. 4034 requires the Secretary of Commerce to develop foreign availability criteria by regulation. A determination of foreign availability is a critical aspect of this legislation because such a determination can trigger the removal of complicated and time-consuming U.S. export controls thereby insuring that U.S. exporters will be competitive with their foreign counterparts.

It is my hope that the Commerce Secretary will insure that these regulations are developed as quickly as possible, and that the criteria set forth in those regulations will not be so stringent that they will be impossible to meet.

It is also my hope that the Department of Commerce will proceed expeditiously to reduce the list of unilaterally controlled items, especially in the area of scientific, industrial, and medical instruments. This is especially troublesome to exporters in my district because of the widespread incorporation of microprocessors in this type of equipment.

Let me illustrate why I raise these two points by one example. The Foxboro Co., which is located in my district, manufactures an infrared analyzer called the Foxboro-Wilks 801. This instrument is used in laboratories to measure the chemical composition of gas and other elements. The instrument contains an Intel 8080 microprocessor and, because of this, it is subject to U.S. unilateral export control licensing procedures.

Siemans, a West German company, manufactures a multipurpose gas chromotograph which competes directly with the Foxboro infrared analyzer. The Siemans product also contains a microprocessor, but the Government of West Germany permits Siemans to ship this product throughout the world without any export licensing restrictions.

Typically, it takes Foxboro 4 to 6 weeks to obtain U.S. Department of Commerce approval to export its infrared analyzer because of U.S. licensing requirements. Siemans, on the other hand, can ship its product immediately because it is confronted with no export licensing requirements. In this highly competitive world, a delay of 4 to 6 weeks in a company's ability to deliver a product can mean the loss of the sale.

I should note that the microprocessor contained in the Foxboro infrared analyzer is a "dedicated" microprocessor. This means that it cannot be reprogramed. It should also be noted that the value of the microprocessor represents only a minor portion of the value of the entire instrument.

Representatives from the Scientific Apparatus Makers Association, of which Foxboro is a member, recently met with officials in the Department of Commerce to discuss this problem, and I understand that the Department has begun to look into it. I hope that the Department will make rapid progress in resolving this type of situation. By eliminating these types of products which contain dedicated microprocessors from the U.S. unilateral control list, licensing officers in the Commerce Department and those who review these matters at the Defense Department will be free to turn their attention to more critical areas of legitimate national security concern.

I ask the chairman of the subcommittee of the Committee on Foreign Affairs as to whether or not in the very operation of the phrase, "national security," the determination of obsolescence would necessarily have to come from the Department of Defense, and I would again ask the chairman of the subcommittee as to whether or not he reads the section as requiring that approach in agreeing on other items of technology not within the immediate needs of national security or within the preferred list for commerce or commercial approach. I would ask the chairman to respond to that inquiry.

Mr. BINGHAM. Mr. Chairman, I can respond in this way: That the responsibility for setting up the system so that we will be sure that items that have become obsolete from the point of view of national security are at least looked at in terms of whether they should be taken off the list is provided. That is done so as to allow those concerned with licensing to focus on the important items, on the items that are important in national security.

That responsibility in the first sentence lies with the Secretary of Commerce to propose regulations to accomplish that. If he or she does that and then items are proposed to be removed from the list in accordance with that section, the Secretary of Defense can, if he or she chooses, object to their removal from the list.

The advantage of this is that instead of leaving the situation exactly as it has been in the past, with items remaining for years on the list that should not be on the list, there is here a proposed system to make sure that the unimportant items are taken off. If we knock this out of the bill, we leave it just the way it has been, with an endless number of items being considered that should no longer be considered, simply because the bureaucrats have not enough time to get around to taking them off.

Mrs. HECKLER. Mr. Chairman, I thank the gentleman for his response.

I would say that in this area we have two interests, the first being the overriding one of national security and the second one that of being realistic in this ever evolving age of international exchange in which the computer is exchanged and copied by foreign governments and foreign organizations and foreign industries.

Just recently I have been informed that the People's Republic of China purchased over $100 million worth of computer technology from a French firm. I think, that even as we meet the needs of our national security, it is very important as a matter of overall economic export policy and American business interests—out balance of payments and American jobs to allow American firms to compete and to promote their products. When national security matters are not at issue it is important that we in no way hobble or harm the business interests in our country who have a good product to sell abroad.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I think the discussion that has just gone on indicates that there is some lack of clarity about the amendment and just exactly what it does.

The provision in the legislation, especially as compared to the original bill that was introduced, does leave some flexibility on when indexing may be instituted. However, once a category is agreed on for using indexing, it becomes mandatory that those items be dropped from the control list unless, under certain circumstances, another Government agency objects. Even that is not clear because the Secretary of Commerce still retains the authority to override any such objection. The provision goes on to say: If certain performance levels are reached, no matter what the Secretary determines might be the situation for an individual case, he would have to remove it.

Mr. Chairman, I do not suggest that if we should get into such a situation, the Secretary of Commerce, if he or she felt there would be a leak in our military critical technologies overseas, would go ahead with that.

So one of three things is going to happen: First, either indexing will not be used at all, which is certainly going to come as a great shock and surprise to those supporting this kind of provision; or second, we will get trapped, which could be absolutely disastrous, and we will export some technology that we do not want to export; or third, the Secretary is going to violate the law.

I share the subcommittee chairman's concern about this problem, but I do support the amendment. I would say, however, that there might be a better way of doing this. I think there should be some formalized way of removing items from the list, and I think we should perhaps simply direct the Secretary to do so by regulation. But that choice is not before us at the present time, so I do rise in support of the amendment.

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the Ichord amendment and urge support of the present language regarding indexing in H.R. 4043. I feel that the present language makes an important first step in alleviating the competitive disadvantage under which many high technology industries have been trying to operate for many years. The indexing provision does not in any way jeopardize the national security of the United States; rather it allows for removal of needless redtape and control on exports which have been determined to have become "obsolete with respect to the national security of the United States."

First, let me emphasize that the bill language does not mandate the indexing of certain goods after the performance levels of such goods have risen; it permits this indexing. The Secretary of Commerce, whom we assume will be working in close coordination with the Secretary of Defense and Secretary of State, is allowed to periodically reevaluate requirements for validated licenses and qualified general licenses for high technology goods.

As Members of the House know, the concept of indexing high technology items has been agreed to by COCOM, the informal trade group of the United States, our NATO Allies—minus Iceland—and Japan. COCOM already provides for periodic review of performance parameters of goods. The indexing provision in this bill merely provides for a more orderly, comprehensive reassessment of overall product technology. If the United States, due to slow reevaluation of national security requirements, fails, to allow the exports of high technology goods which in no way jeopardize our security, then we are hurting our balance of trade and our competitive edge in a market area that is very important to our economy today and looks as though it will become more and more crucial in years to come. I might add that not only are we hurting our own balance of trade, we are actively helping other nations, such as France, Japan, and West Germany, who of course will not hesitate to step into any market where there is a profit to be made. And I need not remind the distinguished gentleman from Missouri, or any of the Members of the House, of the disastrous negative situation our economy is in as the result of the horrible balance of payments situation we face.

Finally, I would like to address in some detail the incorrect notion that indexing of goods is incompatible with the national security of our Nation. The argument has been set forth that the phrase "obsolete with respect to the national security of the United States" is vague. I concur with this statement. The notion of a product becoming obsolete is purposely left vague so that the Secretary of Commerce, in coordination with the Secretary of Defense and Secretary of State, can analyze our defense needs. There is no question that a product may be outdated on the U.S. market, but might be anything but obsolete in terms of a Communist-bloc country. Only if the Secretary of Commerce, after very careful analysis, deems that a product may be sold to a potentially unfriendly country at no risk to the American security will it then be indexed for trade to those countries. Furthermore, as I stated earlier, the provision in this bill is merely permissive, not mandatory. The Secretary of Commerce does not have to index goods at all.

In summary, indexing will help give businesses the competitive edge in international trade that presently, in many cases, they lack. It will permit the sale abroad of high technology items which are becoming a more and more important part of our economy. At the same time, this provision is worded in such a way that indexing will only take place after a rigorous review of our own national security needs. For these reasons, I urge defeat of the amendment of the gentleman from Missouri, and the retention of the current bill language.

Mr. COURTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Ichord amendment.

Mr. Chairman, I will not take the usual 5 minutes, since I have already spoken on this particular amendment.

I think this is a very crucial amendment, because if it is not adopted, it basically, according to my reading of page 16, lines 8 through 23, would otherwise remove the effect and the thrust of the prior Ichord amendment which passed this House so overwhelmingly less than 45 minutes ago.

The thing about which I am most concerned is the language with regard to "the latest such increase," to the very latest technology. I think this particular bill, with the last Ichord amendment, intended to protect the United States from aiding and abetting unwillingly those enemies and those people who would make us their adversaries by making sure we do not sell military critical technology to other countries. That particular phraseology is particularly important.

The thrust of the first Ichord amendment had nothing to do with the latest technology, because, very truly, it does not have to be the latest technology that would give critical military technology to those people who would oppose us in our foreign policy; it could be not the latest advance or the second-to-the-latest advance or the third-to-the-latest advance.

So, Mr. Chairman, I think, therefore, this particular paragraph must be removed in order to give free play and emphasis to the Ichord amendment that passed so overwhelmingly just a few moments ago.

☐ 1550

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Missouri (Mr. ICHORD).

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. ICHORD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 201, noes 206, not voting 27, as follows:

[Roll No. 456]

AYES—201

Abdnor	Flippo	McClory
Addabbo	Fountain	McDonald
Andrews, N. Dak.	Fowler	McEwen
Archer	Fuqua	McKay
Ashbrook	Gaydos	Marriott
Atkinson	Gephardt	Martin
Badham	Gilman	Mathis
Bafalis	Ginn	Michel
Bailey	Gonzalez	Miller, Ohio
Barnard	Goodling	Minish
Bauman	Gore	Mitchell, N.Y.
Beard, Tenn.	Gramm	Mollohan
Bennett	Grassley	Montgomery
Bereuter	Grisham	Moore
Bethune	Guarini	Moorhead, Calif.
Bevill	Gudger	Mottl
Biaggi	Guyer	Murtha
Boner	Hagedorn	Myers, Ind.
Bouquard	Hall, Tex.	Nichols
Bowen	Hammer-schmidt	Pashayan
Breaux	Hance	Paul
Brinkley	Hansen	Pickle
Brooks	Harsha	Quayle
Broomfield	Hefner	Quillen
Brown, Ohio	Heftel	Rahall
Broyhill	Hightower	Regula
Burgener	Hillis	Rhodes
Butler	Hinson	Rinaldo
Byron	Holland	Roberts
Campbell	Holt	Robinson
Carney	Hopkins	Rose
Chappell	Hubbard	Roth
Clausen	Hutto	Rousselot
Cleveland	Hyde	Royer
Coleman	Ichord	Rudd
Collins, Tex.	Ireland	Runnels
Coughlin	Jeffries	Santini
Courter	Jenkins	Satterfield
Crane, Daniel	Jones, N.C.	Sawyer
Crane, Philip	Jones, Tenn.	Schroeder
Daniel, Dan	Kazen	Schulze
Daniel, R. W.	Kelly	Sebelius
Davis, Mich.	Kemp	Sensenbrenner
Davis, S.C.	Kindness	Shelby
de la Garza	Kramer	Shumway
Devine	LaFalce	Shuster
Dickinson	Lagomarsino	Skelton
Dornan	Latta	Slack
Dougherty	Leach, La.	Smith, Nebr.
Duncan, Oreg.	Leath, Tex.	Snyder
Duncan, Tenn.	Lee	Solomon
Edwards, Ala.	Lent	Spence
Edwards, Okla.	Levitas	Staggers
Emery	Lewis	Stangeland
English	Livingston	Stenholm
Ertel	Loeffler	Stratton
Evans, Del.	Long, Md.	Symms
Evans, Ga.	Lott	Taylor
Ferraro	Lujan	Thomas
Fish	Lungren	Treen

Trible	Whitley	Winn
Volkmer	Whittaker	Wolff
Walker	Whitten	Wydler
Wampler	Williams, Ohio	Wylie
Watkins	Wilson, Bob	Yatron
White	Wilson, C. H.	Young, Fla.
Whitehurst	Wilson, Tex.	Zeferetti

NOES—206

Akaka	Florio	Nedzi
Albosta	Foley	Nelson
Alexander	Ford, Mich.	Nolan
Ambro	Ford, Tenn.	Nowak
Anderson, Calif.	Forsythe	O'Brien
	Frenzel	Oakar
Andrews, N.C.	Frost	Oberstar
Annunzio	Garcia	Obey
Anthony	Gibbons	Ottinger
Ashley	Glickman	Panetta
Aspin	Gradison	Patten
AuCoin	Gray	Patterson
Baldus	Green	Pease
Barnes	Hall, Ohio	Pepper
Bedell	Hamilton	Perkins
Beilenson	Hanley	Petri
Benjamin	Harkin	Peyser
Bingham	Harris	Preyer
Blanchard	Hawkins	Pritchard
Boggs	Heckler	Pursell
Boland	Hollenbeck	Railsback
Bolling	Holtzman	Rangel
Bonker	Horton	Ratchford
Brademas	Howard	Reuss
Brodhead	Huckaby	Richmond
Brown, Calif.	Hughes	Ritter
Buchanan	Jacobs	Rodino
Burlison	Jeffords	Roe
Burton, John	Jenrette	Rosenthal
Burton, Phillip	Johnson, Calif.	Rostenkowski
Carr	Johnson, Colo.	Russo
Cavanaugh	Jones, Okla.	Scheuer
Clay	Kastenmeier	Seiberling
Clinger	Kildee	Shannon
Coelho	Kogovsek	Sharp
Collins, Ill.	Kostmayer	Simon
Conable	Leach, Iowa	Smith, Iowa
Conte	Lehman	Snowe
Conyers	Leland	Solarz
Corcoran	Lloyd	Spellman
Corman	Long, La.	St Germain
Cotter	Lowry	Stack
D'Amours	Luken	Stanton
Danielson	Lundine	Stark
Dannemeyer	McCloskey	Stewart
Daschle	McDade	Stockman
Deckard	McHugh	Stokes
Dellums	McKinney	Studds
Derrick	Maguire	Swift
Dicks	Markey	Synar
Dingell	Marks	Tauke
Dixon	Marlenee	Thompson
Donnelly	Matsui	Traxler
Downey	Mattox	Udall
Drinan	Mavroules	Ullman
Early	Mazzoli	Van Deerlin
Eckhardt	Mica	Vanik
Edgar	Mikulski	Vento
Edwards, Calif.	Mikva	Walgren
Erdahl	Miller, Calif.	Waxman
Erlenborn	Mineta	Weaver
Evans, Ind.	Moakley	Weiss
Fary	Moffett	Williams, Mont.
Fascell	Moorhead, Pa.	Wirth
Fazio	Murphy, N.Y.	Wolpe
Fenwick	Murphy, Pa.	Wright
Findley	Myers, Pa.	Yates
Fisher	Natcher	Young, Mo.
Fithian	Neal	Zablocki

NOT VOTING—27

Anderson, Ill.	Dodd	Murphy, Ill.
Applegate	Flood	Price
Beard, R.I.	Giaimo	Roybal
Bonior	Gingrich	Sabo
Carter	Goldwater	Steed
Cheney	Lederer	Stump
Chisholm	McCormack	Vander Jagt
Derwinski	Madigan	Wyatt
Diggs	Mitchell, Md.	Young, Alaska

□ 1600

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Murphy of Illinois against.

Mr. Cheney for, with Mr. Lederer against.

Mr. Young of Alaska for, with Mr. Beard of Rhode Island against.

Mr. Gingrich for, with Mr. Mitchell of Maryland against.

Mr. Goldwater for, with Mrs. Chisholm against.

Mr. LONG of Maryland and Mr. VOLKMER changed their votes from "no" to "aye."

Mr. ALEXANDER changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 104?

AMENDMENT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MILLER of Ohio. Page 8, add the following after line 24:

"(3) In issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting critical technologies to miltiary use, the difficulty of devising effective safeguards to protect critical goods, and the need to take effective measures to prevent the reexport of critical technologies from other countries to countries that pose a threat to the security of the United States. Such regulations shall not be based upon the assumption that such effective safeguards can be devised.

□ 1610

Mr. MILLER of Ohio. Mr. Chairman, to successfully implement the critical technologies approach endorsed by this bill it is imperative that we correct an existing weakness in the current system. One such loophole concerns so-called end-use statements and safeguards to prevent the diversion of technology for military purposes once it has been transferred to a controlled nation like the Soviet Union.

It is often current practice to require nations receiving American technology to sign an end-use statement agreeing that the transfer of goods or technology will not be diverted for military uses. The problem with end-use statements and so-called safeguards is that they are only cosmetic in nature and do not work. As the Senator from the State of Washington recently stated on the floor of the other body, they provide no protection against diversion of critical technologies and goods since, by definition, they consist of know-how or products which transfer know-how for which safeguards against diversion cannot be devised. The diversion of know-how cannot ordinarily be detected or prevented since it consists of the transfer of knowledge from one person to another. Once the transfer of such critical know-how occurs, it is lost forever.

Let me set up a hypothetical situation to illustrate the need for this amendment. Let us assume there is a man whom you know to be a potential adversary, and this person is holding a baseball in one hand and a grenade in the other. Would you teach this potential adversary how to throw the baseball; in other words, give him the know-how, and then pray to God that he will not use this know-how to throw the grenade? I hope not. But that is exactly what this country is doing; a promise not to throw the grenade is not enough. In dealing with governments like the Soviet Union, we must assume that if the technology to be exported can be diverted for military uses that it will be diverted for military uses. And as a result, a license application should not be approved on the basis "end-use statements" and "safeguards."

In light of the Kama River truck plant incident, it would be totally naive for the United States to think that safeguards are an effective mechanism in preventing diversion. If the Soviets want to divert the technology for direct military purposes, they will do so, like they have done with the military truck engines coming out of the Kama River.

This amendment provides that rules and regulations for the control of critical technologies and goods reflect the difficuties associated with end-use statements and safeguards. The amendment also requires that effective measures be taken to prevent the re-export of critical goods and technologies to potential adversary nations when we export them to friendly nations, which include most Third World countries as well as our allies in COCOM.

An amendment such as this was passed in the other body by unanimous consent, and met with the approval of the Commerce Department official monitoring the bill's debate on July 21 of this year.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding and I rise in support of the amendment.

Let me take this opportunity of thanking the gentleman for all of the work he has put in in tightening up this bill and making it a very meaningful bill.

Mr. MILLER of Ohio. I thank the gentleman.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. Yes, I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I would like to also commend the gentleman for all of his efforts on behalf of this bill and trying to improve it. I would like to support the amendment as well. I think it merely makes explicit what has been apparent from hearings on export controls, and that is, as the gentleman has already pointed out, safeguards cannot be devised to prevent the diversion of technology if someone is really determined to get that technology.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has expired.

(At the request of Mr. LAGOMARSINO and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 2 additional minutes.)

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield further?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. LAGOMARSINO. The gentleman's amendment, of course, provides that rules and regulations be developed in such a way as to prevent reliance on ineffective safeguards as a means of countering diversion of technology. I think it is something that needs to be in the

bill. As the gentleman points out, the other body included very similar language in its version of this bill, and I hope it is adopted.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I want to commend the gentleman in the well, the gentleman from Ohio, for offering this amendment. I know the gentleman from Ohio, along with the gentleman from New York (Mr. WOLFF), have worked long and hard in this area. I would hope that the gentleman from New York (Mr. BINGHAM) would accept the amendment of the gentleman from Ohio.

This amendment, I would point out, might well get rid of the can of worms, the so-called shambles the Director testified about before the House Armed Services Committee.

But we are going to have this problem if we do not do something about it. We are going to have it with us for years to come. I would cite for the Members of the House the Kama River project. I know that the gentleman from Ohio is familiar with the Kama River project.

I think it is absolutely reprehensible when NATO is so short, extremely short of 5-ton trucks that we not only export trucks, we export a whole turnkey factory to the Soviet Union at Kama River, the largest truck plant in the world, and which has definitely produced trucks that go into the Soviet military.

The CHAIRMAN pro tempore. The time of the gentleman from Ohio has again expired.

(At the request of Mr. ICHORD and by unanimous consent Mr. MILLER of Ohio was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. If the gentleman will continue to yield, it has been proven beyond a doubt that that truck plant, the Kama River truck plant has been diverted to military uses.

Now, what can we do? It is true that there were no end-use restrictions placed upon the Kama River turnkey plant. That was the problem. No end-use restriction. But certainly somebody should have been thinking about end-use restrictions if we are going to transfer a whole turnkey factory. Again, on top of that, someone should be thinking about how we are going to enforce these end-use restrictions. Are we going to deny them support? This is what the bureaucracy should be directing their attention to, and this is what the amendment of the gentleman from Ohio calls for. I hope that the manager of the bill will accept the amendment in order to get rid of the shambles that we now have in the administration of the Export Administration Act.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. MILLER or Ohio. Yes, I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, I also want to commend the gentleman in the well. I know we have worked together with two distinguished members of the majority for over a year on this reexport problem. The whole nightmare situation in Europe of these critical materials leaking like a sieve behind the Iron Curtain cannot be overemphasized.

When I first met with COCOM members in Europe 2½ years ago they explained to me that people will find statements under the COCOM agreements that a third nation will not have access to materials that are stacked up in warehouses, digital computing equipment, sensitive transistorized backup hardware and software.

□ 1620

Then, they go back a month later and half the warehouses are empty. "Sixty Minutes," the Nation's No. 1 rated show, which is always in the top five—it says something about the viewing habits of the American people that this hard-hitting factual show outdraws all the situation comedies and adventure shows—"Sixty Minutes" wanted to do a long segment on the export control problem, and found out that it is just too difficult to film. All they have is people describing how bad the problem is, or they can film a full warehouse and come back a few months later and show the same warehouse empty.

In spite of the television difficulties of filming this, we in Congress should certainly be aware of what Mike Wallace and his producer, Barry Lando, are aware of, and should support the gentleman's amendment. I would hope that the distinguished chairman, the gentleman from New York (Mr. BINGHAM) would accept this amendment in its totality.

Mr. MILLER of Ohio. I thank the gentleman from California.

Mr. BINGHAM. Mr. Chairman, I rise in opposition to the amendment.

I do so with some reluctance, because I know of the great deal of work that the gentleman from Ohio has given to this topic. The committee and the administration both are opposed to this amendment because, in essence, it appears to be an amendment that is against safeguards. I ask the question: How can you be against safeguards?

We are not suggesting, nobody suggests, that these safeguards are absolute or that they will totally prevent the diversion of items to an unintended use. But as the gentleman from Missouri (Mr. ICHORD) has just pointed out, the Kama River deal has been criticized, and maybe rightly, by many of these same people because no end-use requirements were incorporated in the deal. When President Nixon and Secretary Kissinger decided to go ahead with the exports to the Kama River plant, they deliberately did not put in any provisions to prevent the diversion of the products of that plant.

So, what we are talking about here is safeguards in the sense of an effort to deter the misuse of the products that we export to the Soviet Union and to other Communist countries. As I say, there is no way in which safeguards can absolutely prevent diversions, but they are a useful device to assist in the process of reducing the degree to which diversions occur. In fact, if this amendment is adopted, it might very well discourage the administration from using safeguards or end-use requirements, and that is certainly not the intention, I am sure, of the author of the amendment. But, that might be the result.

One of the areas where end-use safeguards are used, and used effectively, is in the utilization of computers, where the agreements provide that the vendors of the computers have access, recurrent or constant access, to the operation of the computers to see that they are used for the purposes for which they are sold. So, safeguards are a necessary and beneficial part of the total process of trying to see that we have exports to the Soviet Union that are beneficial to our industry, but that do not assist the military potential of the Soviet Union.

This amendment does not prohibit them, but the whole effect of the amendment is negative. It would discourage the use of safeguards, and I urge a negative vote on the amendment.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I will be glad to yield.

Mr. BONKER. As it relates to the Kama River case and the statement on the question of other safeguards, we have access to the computer there, the results of which gave us access to the facility.

Mr. BINGHAM. That is correct, yes.

Mr. COURTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Ohio (Mr. MILLER).

Mr. MILLER of Ohio. Mr. Chairman, I thank the gentleman for yielding. In reply to the chairman's remarks concerning safeguards and end-use statements, I would like to state that the amendment will not stop the end-use statements or safeguards. The amendment wants the Commerce Department not to rely on a tag that will be hanging on an article that says, "We will sell you this article if you sign this tag stating that you will not use it for military uses, and use it back against us."

We do not want someone relying on a statement, because if it can be used for military use, and it goes to controlled nations, they will use it for military use. We are conveying the message that, in issuing rules and regulations to carry out this section, particular attention shall be given to the difficulty of devising effective safeguards to prevent a country that poses a threat to the security of the United States from diverting a critical technology to military use.

We are giving a warning. We certainly need this section, and safeguards and end-use statements can certainly be used, but through the legislative process—we want the administration to know that end-use statements are not the items that we should rely on completely in order to turn over our technology to some other nation that could, in time, use it back against us.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. COURTER. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding. Does the gentleman know of any case in which a license was granted in which safeguards were included, and it then turned out that the safeguards were useless and the material was misused or diverted? Does the gentleman know of any such case, bearing in mind that in the Kama River case the majority of

the exportation contained no end-use restrictions?

Mr. MILLER of Ohio. In the Kama River case there is still a dispute as to whether there was an end-use certificate as such, or understanding of an end-use certificate. I would ask the gentleman, whenever we have sent articles on the basis of end-use would the gentleman assure the committee that not one item has been diverted?

All we want to do is to have our administration be alert and aware that this is not the solution to solving our problem of transferring our technology.

We do not just want an end-use statement signed, and then say, "Yes, you can have it; there it is."

There is no assurance whatsoever once it arrives, that it will not be turned over for military use.

Mr. BINGHAM. Will the gentleman yield briefly further?

Mr. COURTER. I will be happy to yield to the gentleman from New York.

Mr. BINGHAM. As far as Kama River is concerned, I have read all those documents in the testimony. All I can say is that if there was an intention to provide end-use restrictions, they did a hell of a bad job. As the gentleman from Missouri just stated, there really were no end-use restrictions. The best they could come up with was some vague understanding. There was not anything in the documents to show that there were end-use restrictions.

But, I agree with the gentleman that safeguards are not absolute. My purpose in opposing this amendment is that the amendment will discourage the use of safeguards, and that seems to be cutting off the nose to spite the face.

Mr. MILLER of Ohio. That is the main purpose of the amendment, to attempt to show the administration that the safeguards are not there when an end-use statement is signed.

● Ms. HOLTZMAN. Mr. Chairman, I am constrained to oppose the amendment proposed by Mr. MILLER of Ohio. His amendment deals with the problem of exporting technology that may be potentially sensitive from a military point of view. I share the concern of the gentleman from Ohio and agree with the intent of his amendment. Nonetheless, I cannot vote for it, because the last sentence of the amendment is self-defeating. By stating that effective safeguards cannot be devised the amendment's objective is subverted. We need strong and effective safeguards. This amendment would not require them.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. MILLER).

The question was taken; and on a division (demanded by Mr. MILLER of Ohio) there were—ayes 20, noes 24.

Mr. MILLER of Ohio. Mr. Chairman, I demand a recorded vote, and pending that I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count for a quorum.

A quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the committee appears. Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1640

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Ohio (Mr. MILLER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 271, noes 138, not voting 25, as follows:

[Roll No. 457]

AYES—271

Abdnor	Erlenborn	Lee
Addabbo	Ertel	Lent
Akaka	Evans, Del.	Levitas
Albosta	Evans, Ga.	Lewis
Anderson, Calif.	Evans, Ind.	Livingston
	Ferraro	Lloyd
Andrews, N.C.	Findley	Loeffler
Andrews, N. Dak.	Fish	Long, Md.
	Fithian	Lott
Anthony	Florio	Lujan
Archer	Fountain	Luken
Ashbrook	Fowler	Lungren
Atkinson	Frost	McClory
Badham	Fuqua	McCloskey
Bafalis	Gaydos	McDade
Bailey	Giaimo	McDonald
Bauman	Gilman	McEwen
Beard, Tenn.	Goldwater	McKay
Benjamin	Goodling	Madigan
Bennett	Gore	Markey
Bereuter	Gradison	Marks
Bethune	Gramm	Marlenee
Biaggi	Grassley	Marriott
Boland	Grisham	Martin
Boner	Guarini	Mathis
Bouquard	Gudger	Mattox
Bowen	Guyer	Mazzoli
Breaux	Hagedorn	Mica
Brinkley	Hall, Tex.	Michel
Broomfield	Hammer-schmidt	Miller, Ohio
Brown, Ohio		Mitchell, N.Y.
Broyhill	Hance	Mollohan
Buchanan	Hanley	Montgomery
Burgener	Hansen	Moore
Butler	Harsha	Moorhead, Calif.
Byron	Heckler	
Campbell	Hefner	Mottl
Carney	Heftel	Murphy, N.Y.
Chappell	Hightower	Murtha
Clausen	Hillis	Myers, Ind.
Cleveland	Hinson	Natcher
Clinger	Hollenbeck	Neal
Coelho	Holt	Nelson
Coleman	Hopkins	Nichols
Collins, Tex.	Horton	Nowak
Conte	Howard	O'Brien
Corcoran	Hubbard	Panetta
Coughlin	Huckaby	Pashayan
Courter	Hughes	Paul
Crane, Daniel	Hutto	Pepper
Crane, Philip	Hyde	Perkins
D'Amours	Ichord	Petri
Daniel, Dan	Ireland	Peyser
Daniel, R. W.	Jeffries	Pickle
Dannemeyer	Jenkins	Preyer
Daschle	Jenrette	Pursell
Davis, Mich.	Johnson, Colo.	Quayle
Davis, S.C.	Jones, N.C.	Quillen
de la Garza	Jones, Okla.	Rahall
Deckard	Jones, Tenn.	Railsback
Devine	Kazen	Regula
Dickinson	Kelly	Rhodes
Dicks	Kemp	Rinaldo
Dornan	Kindness	Ritter
Dougherty	Kostmayer	Roberts
Duncan, Oreg.	Kramer	Robinson
Duncan, Tenn.	LaFalce	Roe
Edwards, Ala.	Lagomarsino	Rose
Edwards, Okla.	Latta	Rostenkowski
Emery	Leach, Iowa	Roth
English	Leach, La.	Rousselot
Erdahl	Leath, Tex.	Royer
Rudd	Staggers	Wampler
Runnels	Stangeland	Watkins
Russo	Stanton	Weaver
Santini	Steed	White
Satterfield	Stenholm	Whitehurst
Sawyer	Stockman	Whitley
Schroeder	Stratton	Whittaker
Schulze	Symms	Whitten
Sebelius	Synar	Williams, Mont.
Sensenbrenner	Tauke	Winn
Sharp	Taylor	Wolff
Shelby	Thomas	Wyatt
Shumway	Traxler	Wydler
Shuster	Treen	Wylie
Slack	Trible	Yates
Smith, Nebr.	Ullman	Yatron
Snowe	Van Deerlin	Young, Fla.
Snyder	Vander Jagt	Young, Mo.
Solomon	Walgren	Zeferetti
Spence	Walker	

NOES—138

Alexander	Fary	Murphy, Ill.
Ambro	Fascell	Murphy, Pa.
Annunzio	Fazio	Myers, Pa.
Ashley	Fenwick	Nedzi
Aspin	Fisher	Nolan
AuCoin	Flippo	Oakar
Baldus	Ford, Tenn.	Oberstar
Barnard	Forsythe	Obey
Barnes	Frenzel	Ottinger
Bedell	Garcia	Patten
Bellenson	Gephardt	Patterson
Bevill	Gibbons	Pease
Bingham	Ginn	Pritchard
Blanchard	Glickman	Rangel
Boggs	Gonzalez	Ratchford
Bolling	Gray	Reuss
Bonior	Green	Richmond
Bonker	Hall, Ohio	Rodino
Brademas	Hamilton	Rosenthal
Brodhead	Harkin	Scheuer
Brooks	Harris	Seiberling
Brown, Calif.	Hawkins	Shannon
Burlison	Holtzman	Simon
Burton, John	Jacobs	Skelton
Burton, Phillip	Jeffords	Smith, Iowa
Carr	Johnson, Calif.	Solarz
Cavanaugh	Kastenmeier	Spellman
Chisholm	Kildee	St Germain
Clay	Kogovsek	Stack
Collins, Ill.	Lehman	Stark
Conable	Leland	Stewart
Conyers	Long, La.	Stokes
Corman	Lowry	Studds
Danielson	Lundine	Swift
Dellums	McHugh	Thompson
Derrick	McKinney	Udall
Dingell	Maguire	Vanik
Dixon	Matsui	Vento
Dodd	Mavroules	Volkmer
Donnelly	Mikulski	Waxman
Downey	Mikva	Weiss
Drinan	Miller, Calif.	Williams, Ohio
Early	Mineta	Wirth
Eckhardt	Moakley	Wolpe
Edgar	Moffett	Wright
Edwards, Calif.	Moorhead, Pa.	Zablocki

NOT VOTING—25

Anderson, Ill.	Foley	Roybal
Applegate	Ford, Mich.	Sabo
Beard, R.I.	Gingrich	Stump
Carter	Holland	Wilson, Bob
Cheney	Lederer	Wilson, C. H.
Cotter	McCormack	Wilson, Tex.
Derwinski	Minish	Young, Alaska
Diggs	Mitchell, Md.	
Flood	Price	

☐ 1650

The Clerk announced the following pairs:

On this vote:

Mr. Bob Wilson for, with Mr. Lederer against.

Mr. Derwinski for, with Mr. Beard of Rhode Island against.

Mr. Carter for, with Mr. Mitchell of Maryland against.

Messrs. BUTLER, PREYER, D'AMOURS, PEPPER, and WEAVER changed their vote from "no" to "aye."

Ms. HOLTZMAN changed her vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above reported.

☐ 1700

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise at this point in the bill to inquire of the chairman whether my understanding is correct that the imposition of constraints and criteria upon the use of export controls for foreign policy purposes would not, and is not intended by the committee, in any way to tie the hands of the President in time of crisis.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, the gentleman is correct. H.R. 4034 would not prevent the President from imposing export controls quickly in response to unpredictable foreign policy crises, such as attempts to develop a nuclear weapons capability, support for international terrorism, extreme violations of human rights, or imminent threats of regional military conflict. Nor would it prevent continuation of such controls once imposed. On the contrary, it encourages the President to make decisions on export licenses without excessive delay. Pursuant to section 112, H.R. 4034 would not limit authority to control items of significance for nuclear explosive purposes. For such items the special procedures called for by section 309(c) of the Nuclear Non-Proliferation Act of 1978 would apply. With respect to other items:

(1) the criteria listed in section 6(b) and referred to in section 6(e)(2) are factors to be considered but are not conditions which must be met—in any given situation, one, several, or all of them might be irrelevant;

(2) consultation with industry called for by section 6(c) and referred to in section 6(e)(3) might not be appropriate in some circumstances;

(3) reasonable efforts to achieve the purposes of controls through alternative means, as called for by section 6(d) and referred to in section 6(e)(4), need not delay the imposition of controls in a crisis. Under urgent circumstances there may be few, if any, feasible alternative means to pursue.

(4) the President would have discretion to determine what steps were feasible to secure the cooperation of other governments per section 6(h).

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman from New York (Mr. BINGHAM) and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. DORNAN

Mr. DORNAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN: Page 22, insert the following after line 2:

"(1) SUBMISSION OF RECORDS TO CONGRESS.—(1) In any case in which any committee or subcommittee of either House of Congress which has jurisdiction over domestic or foreign policies relating to export trade or national security requests the Secretary, the Secretary of Defense, or any Federal department or agency, to submit a record with respect to any action taken under this Act concerning the administration of export controls for national security purposes, the Secretary, Secretary of Defense, or Federal department or agency, as the case may be, shall so submit such record within ten days after the request is made.

"(2) In order to comply with any request described in paragraph (1), the Secretary, Secretary of Defense, or any other Federal department or agency participating in any action taken pursuant to this Act (including the approval or disapproval of a validated license application) concerning the administration of export controls for national security purposes, shall retain, for at least five years after the action is completed, a complete record with respect to such participation, including the following, as appropriate:

"(A) With respect to a technology or good involved in the action—

"(i) the technical facts upon which the action was based, including (but not limited to) the nature and strategic importance of the technology or good, and the analysis of such facts,

"(ii) the extent of the technological lead of the United States,

"(iii) foreign availability of such technology or good, and

"(iv) the safeguards against the transfer of the technology involved to a controlled country.

"(B) Material factual and policy issues.

"(C) Each department or agency which participated in the action and the recommendations of such department or agency with respect to the action.

"(D) Such other information as is necessary and appropriate to an understanding of the action.

"(3) For purposes of this subsection, the term 'controlled country' means any communist country as defined in section 620(f) of the Foreign Assistance Act of 1961.".

Mr. DORNAN. Mr. Chairman, I want to applaud the efforts of the distinguished gentleman from New York (Mr. BINGHAM) for including a section in H.R. 4034 requiring the keeping of records pertaining to applications for export licenses. This legislative proposal is excellent so far as it goes; but in all respect I do not think it goes far enough.

The language of H.R. 4034 pertains only to license applications. What are more important, from the standpoint of general policy, are the professional and administrative decisions as to how and why certain goods and technologies are controlled under this act. My amendment provides for a complete set of records, specifying the technical, strategic, and foreign policy considerations which entered into the granting or denial of licenses. My amendment mandates the maintenance of those records for at least 5 years, and also provides for relevant congressional committee acquisition of those records with in a period of 10 days of a committee request.

The object of my amendment is to simply strengthen the quality of congressional oversight over the entire export license application and control system. Congress must exercise this oversight over the operation of agency rules and regulations in order to determine if those rules comply with original congressional intent. I am sure there would be much less confusion within the executive branch if the Congress were to specify what it considers important in the license application process.

Even more important is our own ability to monitor the performance of the executive agencies and departments which participate in the licensing process. On May 15, 1979, the House Subcommittee on Research and Development of the Armed Services Committee, chaired by the distinguished gentleman from Missouri (Mr. ICHORD), opened a series of hearings on our export control policies. I sat in on many of them. After 2½ weeks of hearings, Congressman ICHORD discovered disturbing evidence of administrative confusion, if not downright deception and/or incompetence, within the administration on the issue of export licenses and control. According to a recently published statement by my distinguished colleague, there were attempts to control witnesses before the subcommittee; witnesses gave conflicting testimony; witnesses changed statements between appearances; and, most shocking of all, one witness stated he had been instructed to make sure his testimony would not conflict with that of his superiors, an instruction that he clearly translated, again to use the chairman's language, as a "veiled threat to his job." I agree with the gentleman from Missouri that the condition of information—possibly the condition of truth—in the executive branch is in an amorphous, incoherent, and confused state—a "typical bureaucratic maze."

When calling upon the executive branch, whether it is the Department of Commerce or the Department of Defense or any other agency of the Federal Government, the Congress cannot afford to waste time taking testimony or in analyzing confusion over matters of fact and postmistake rationalizations of export control policy. From the standpoint of hindsight, it would have been much better for all concerned if Congress had had access to a complete set of records on the Cyber 76 case in 1977, the sale of the Centalign B ball-bearing machines in 1972, or the records pertaining to the licensing of American firms who provided as much as $1.5 billion in construction technology to the Soviet Union's massive Kama River truck plant, now the largest truck facility in the world. Today the Defense Department reports trucks from this plant are regularly seen with Communist military units throughout Eastern Europe.

This amendment will help clear up administrative confusion, clarify what is expected in the assembling and maintenance of adequate and complete records, and foster a consistency of approach within the executive branch of the Government in regard to these decisions. It is only in this way that Members of Congress and responsible officials within the executive branch can ascertain whether or not a particular action on an export license is justified by the facts, and is consistent with the legislative intentions of the Congress.

Mr. Chairman, I ask for adoption of the amendment.

☐ 1710

The CHAIRMAN. The time of the gentleman from California (Mr. DORNAN) has expired.

(On request of Mr. ICHORD and by unanimous consent, Mr. DORNAN was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, the distinguished gentleman from California mentioned my name and the hearings the Armed Service Committee conducted on H.R. 3216 and the problems that we encountered in obtaining information, particularly from the Department of Commerce.

The gentleman is correct.

I was concerned. I do not know who exactly is to blame. I thought the attempts to muzzle the witnesses was really very silly and hurt the cause, their own cause, rather than helped it.

The gentleman is correct. One witness, Dr. Ruth Davis, did have her testimony censored, in which she was to give what was thought to be opinion testimony in regard to possible diversions of this dual technology that had been transferred to our potential adversaries.

I have not had the opportunity to read the amendment offered by the gentleman from California. I think that I do agree with the objectives, but I do raise the question: Is the gentleman sure that he is not going to impose too much recordkeeping responsibilities upon the agencies?

Mr. DORNAN. That is a good objection. I anticipated this as one of the serious objections to this amendment, because most of us in this Chamber are properly upset about the bureaucratic maze that has inundated our Nation—1 million forms a week saying there is nothing to report.

However, as the gentleman has emphasized over and over, if ever there was an area that needed proper, careful analytical reporting, it is this area of technology transfer. In the amendment, if I might say, I have asked that the gentleman's staff take a look at it, the staff of the gentleman from New York (Mr. WOLFF) and the gentleman from Ohio (Mr. MILLER), and I think it has been very fair and cost-accounting conscious in the number of reports that it does require. I think it just backs up what the gentleman's other amendments have done in making this an area of serious concern to both the Commerce Department, the Defense Department, this Congress and the executive branch, so that we all play a role in what goes over to people who might use it against us in, God forbid, another major conflict.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I regret that the gentleman from California did not have the opportunity to let us consider this amendment in advance. It has just reached my desk here. It raises a number of questions along the lines raised by the gentleman from Missouri. There are thousands and thousands of export applications that are filed every year. If these detailed requirements are applicable to those, we are going to have to appropriate more funds for the department to cope with the flood of paper.

I could appreciate the gentleman's concern with wanting this information with respect to the Kama River truck project, but that is 1 in 10,000 in terms of its importance, in terms of its significance. There are 80,000 applications for licenses submitted to the Department every year, and I think this is just going to bury them in a flood of paper. I doubt very much that the Congress is going to make use of it or any substantial portion of it.

We have added to the bill provisions which make clear that none of the provisions of confidentiality which we will be discussing later, and which have always been in the act, prevent the submission of all necessary information to congressional committees. I might just read that provision:

> Nothing in this Act shall be construed as authorizing the withholding of information from Congress, and all information obtained at any time under this Act or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction.

So there is no question that Congress has access to the information. The only question is whether there is need for this type of detailed information to be kept on all of the many thousands of applications.

In terms of governmental economy and trying to eliminate the spread of the bureaucracy, in the form in which it has been submitted to us I am constrained to oppose the amendment.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have some concerns about this amendment, as well.

What we are trying to achieve with export controls is a question of balancing controls on the one hand and our interest in promoting exports. I am concerned that this amendment might go too far the other way. It could deter exports to such an extent that our national interest could be harmed—and I am sure this is not what the gentleman intends and maybe it would not be the way it would work out—just because DOD would not want to become involved with all of the paperwork.

So there is the possibility, at least in some cases, that it would not exercise its option to review licenses for national security purposes. I hope that would not happen, but it is certainly a possibility.

My amendment in committee provided for complete access to records by Congress, so that need is already taken care of.

I am concerned that this amendment might be counterproductive. I am convinced, even though I have only served on this subcommittee for a short period of time, that we are going to continue to hold very extensive oversight hearings and, should it come to our attention that the records are not being kept adequately or that proper information is not being provided for, we certainly can come back to the floor and ask that the law be changed to require it.

Mr. DORNAN. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. DORNAN. Mr. Chairman, in our analysis of this amendment we were very careful to make sure that it was so specific that it would deal with less than 1 percent of total U.S. trade. What this amendment specifies, on the types of records to be maintained, is only the technical facts upon which a license application was denied, the extent of the technological need of the United States on this particular item, the foreign availability of the technology, the safeguards of the technology to a controlled country, and any other information appropriate to an understanding of license application decisions.

The distinguished chairman said that he doubted that Congress would use this information. I know I personally would use it, because I have made this an area of expertise in my office for 2 years and 8 months.

I have talked with many staffers on both the Committee on Foreign Affairs and the Defense Committee, who would absolutely use this, and, in talking to many Defense people, honestly, I say to my distinguished colleague, I have not had one Department of Defense person say that they would not be eager to keep records in this way and to keep us informed, because they feel they have been overridden by the State Department. And I say that this happened under a Republican administration several times, particularly with computers.

So I would hope that the gentleman would consider supporting this, and I am sure that it will be discussed in conference committee. I have already talked to the chairman who will be on this committee, and he said that all of this will be hammered out in the conference committee.

Mr. LAGOMARSINO. I thank the gentleman for his remarks.

☐ 1720

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DORNAN).

The question was taken; and on a division (demanded by Mr. DORNAN) there were—ayes 14, noes 16.

RECORDED VOTE

Mr. DORNAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 109, noes 296, not voting 29, as follows:

[Roll No. 458]

AYES—109

Abdnor	Evans, Del.	Montgomery
Archer	Gilman	Moorhead, Calif.
Ashbrook	Goldwater	Mottl
Atkinson	Grisham	Nichols
Badham	Guyer	Oakar
Bafalis	Hammer-schmidt	Pashayan
Bailey	Hansen	Quayle
Bauman	Harsha	Quillen
Beard, Tenn.	Holland	Robinson
Bennett	Holt	Rousselot
Bereuter	Hyde	Rudd
Bethune	Ichord	Runnels
Bowen	Ireland	Santini
Breaux	Jeffries	Satterfield
Broomfield	Jenkins	Sawyer
Broyhill	Kazen	Schulze
Burgener	Kelly	Shumway
Butler	Kemp	Shuster
Chappell	Kindness	Snyder
Clausen	Kramer	Solomon
Cleveland	Latta	Spence
Coleman	Lent	Stangeland
Collins, Tex.	Levitas	Stratton
Conyers	Lewis	Symms
Courter	Long, Md.	Taylor
Crane, Daniel	Lott	Trible
Crane, Philip	Lujan	Vander Jagt
Daniel, Dan	Lungren	Wampler
Daniel, R. W.	McDonald	White
Dannemeyer	Madigan	Whitehurst
Davis, Mich.	Marriott	Williams, Ohio
Deckard	Martin	Winn
Devine	Mathis	Wydler
Dickinson	Michel	Wylie
Dornan	Miller, Ohio	Yatron
Duncan, Tenn.	Mitchell, N.Y.	Young, Fla.
Erdahl		

NOES—296

Addabbo	Davis, S.C.	Gudger
Akaka	de la Garza	Hagedorn
Albosta	Dellums	Hall, Ohio
Alexander	Derrick	Hall, Tex.
Ambro	Dicks	Hamilton
Anderson, Calif.	Dingell	Hance
Andrews, N.C.	Dixon	Hanley
Andrews, N. Dak.	Dodd	Harkin
Annunzio	Donnelly	Harris
Anthony	Dougherty	Hawkins
Ashley	Downey	Heckler
Aspin	Drinan	Hefner
AuCoin	Duncan, Oreg.	Heftel
Baldus	Early	Hightower
Barnard	Eckhardt	Hillis
Barnes	Edgar	Hollenbeck
Bedell	Edwards, Ala.	Holtzman
Beilenson	Edwards, Calif.	Hopkins
Benjamin	Edwards, Okla.	Horton
Bevill	Emery	Howard
Biaggi	English	Hubbard
Bingham	Erlenborn	Huckaby
Blanchard	Ertel	Hughes
Boggs	Evans, Ga.	Hutto
Boland	Evans, Ind.	Jacobs
Bolling	Fary	Jeffords
Boner	Fascell	Jenrette
Bonior	Fazio	Johnson, Calif.
Bonker	Fenwick	Johnson, Colo.
Bouquard	Ferraro	Jones, N.C.
Brademas	Findley	Jones, Okla.
Brinkley	Fish	Jones, Tenn.
Brodhead	Fisher	Kastenmeier
Brooks	Fithian	Kildee
Brown, Calif.	Flippo	Kogovsek
Brown, Ohio	Florio	Kostmayer
Buchanan	Foley	LaFalce
Burlison	Ford, Mich.	Lagomarsino
Burton, John	Ford, Tenn.	Leach, Iowa
Burton, Phillip	Fountain	Leach, La.
Byron	Fowler	Leath, Tex.
Carney	Frenzel	Lee
Carr	Frost	Lehman
Cavanaugh	Fuqua	Leland
Chisholm	Garcia	Livingston
Clay	Gaydos	Lloyd
Clinger	Gephardt	Loeffler
Coelho	Giaimo	Long, La.
Collins, Ill.	Ginn	Lowry
Conable	Glickman	Luken
Conte	Gonzalez	Lundine
Corcoran	Goodling	McClory
Corman	Gore	McCloskey
Coughlin	Gradison	McDade
D'Amours	Gramm	McEwen
Daniel, Dan	Grassley	McHugh
Daniel, R. W.	Gray	McKay
Danielson	Green	McKinney
Daschle	Guarini	Maguire
Markey	Pickle	Stanton
Marks	Preyer	Stark
Marlenee	Pritchard	Steed
Matsui	Pursell	Stenholm
Mattox	Rahall	Stewart
Mavroules	Railsback	Stockman
Mazzoli	Rangel	Stokes
Mica	Ratchford	Studds
Mikulski	Regula	Swift
Miller, Calif.	Reuss	Synar
Mineta	Rhodes	Tauke
Moakley	Richmond	Thomas
Moffett	Rinaldo	Thompson
Mollohan	Ritter	Traxler
Moore	Roberts	Treen
Moorhead, Pa.	Rodino	Udall
Murphy, Ill.	Roe	Ullman
Murphy, N.Y.	Rosenthal	Van Deerlin
Murphy, Pa.	Rostenkowski	Vanik
Murtha	Roth	Vento
Myers, Ind.	Royer	Volkmer
Myers, Pa.	Russo	Walgren
Natcher	Scheuer	Walker
Neal	Schroeder	Watkins
Nedzi	Sebelius	Weaver
Nelson	Seiberling	Weiss
Nolan	Sensenbrenner	Whitley
Nowak	Shannon	Whittaker
O'Brien	Sharp	Whitten
Oberstar	Shelby	Williams, Mont.
Obey	Simon	Wilson, Bob
Ottinger	Skelton	Wirth
Panetta	Slack	Wolpe
Patten	Smith, Iowa	Wright
Patterson	Smith, Nebr.	Wyatt
Paul	Snowe	Yates
Pease	Solarz	Young, Mo.
Pepper	Spellman	Zablocki
Perkins	St Germain	Zeferetti
Petri	Stack	
Peyser	Staggers	

NOT VOTING—29

Anderson, Ill.	Forsythe	Rose
Applegate	Gibbons	Roybal
Beard, R.I.	Gingrich	Sabo
Campbell	Hinson	Stump
Carter	Lederer	Waxman
Cheney	McCormack	Wilson, C. H.
Cotter	Mikva	Wilson, Tex.
Derwinski	Minish	Wolff
Diggs	Mitchell, Md.	Young, Alaska
Flood	Price	

□ 1730

Mr. LAGOMARSINO and Mr. EDWARDS of Oklahoma changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1740

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is my intention momentarily to move that the Committee rise in accordance with the announced procedure of rising at 5:30.

Pending that, I would like to yield to the gentleman from California (Mr. MINETA) for a colloquy.

Mr. MINETA. Mr. Chairman, I thank the gentleman for yielding. I rise to express my strong support for H.R. 4034, the Export Administration Act Amendments of 1979. Congressman BINGHAM deserves praise from this body for his tremendous effort which has resulted in this excellent piece of legislation.

I represent a district which includes an area with the highest concentration of high technology electronics firms in the world. Many have dubbed the Santa Clara Valley in California, "Silicon Valley." In part, it is the high-technology products of the Silicon Valley which are unduly handicapped in the world market by the current export licensing process. H.R. 4034, as it now stands without amendment, represents a great stride toward eliminating unnecessary bureaucratic delays of export licenses.

As a member of the House Select Committee on Intelligence, I am keenly aware of the importance of American technology to our strategic defense posture and foreign policy initiatives. Yet, I am also aware of our tendency to ignore the foreign availability of high-technology products, and to ignore the impact of unnecessary delay in export licensing on our competitiveness in the world market.

Problems with the current export licensing process are largely procedural. The merits of H.R. 4034 lie in the clearly specified statutory procedures which would vastly improve the efficiency and effectiveness of the export licensing process.

In my view, H.R. 4034 has several key features:

First. The availability of products from foreign sources would become a major factor in the licensing process, and thus rationalize and improve the effectiveness of the licensing process.

Second. The new "qualified general license" category, which would apply to some products now approved on a case-by-case basis, should contribute to reducing the caseload of the Department of Commerce, and thus reducing delays for other licenses.

Third. The statutorily mandated "suspense points" would require timely decisions to be made on difficult licenses, and provide a firm with full knowledge of where its license stands, and when, at the outset, a decision must be reached. Other provisions would open up the licensing process and vastly improve the accountability for licensing decisions.

Fourth. The "indexing system" would allow for the timely removal of dated technologies or products from license controls. This provision would eliminate needless paperwork for firms which must now obtain a license to sell a dated product or technology.

Fifth. The elimination of reexport controls on U.S. products resold by COCOM nations would reduce another source of unwieldy and unnecessary paperwork. This provision also would place pressure on the administration to reduce the U.S. unilateral list of controlled products. And, the administration is directed to concentrate on making COCOM work more effectively.

Sixth. The administration must assess the foreign availability of products and the domestic economic impact of the lost sales of those products which are to be controlled for foreign policy reasons. This provision should help prevent useless controls from needlessly harming domestic production.

Again, I wish to stress to my colleagues the importance to the national interest of not handicapping the high-technology industry of this country in the world market. H.R. 4034 represents an important stride toward preserving our national security interest and the interest of the domestic high-technology electronics industry.

Is it your intent that when a technical advisory committee certifies to the Secretary of Commerce that foreign avail-

ability does, in fact, exist, that the Secretary shall take such steps as may be necessary to verify such availability within some time frame?

Mr. BINGHAM. Yes. Certainly we expect the Secretary to focus attention on such a recommendation as quickly as possible and certainly within a reasonable time frame.

Mr. MINETA. Assuming that a technical advisory committee or company does certify to the Secretary of Commerce that foreign availability does exist, is it your intent that the Secretary advise the Congress of such an allegation—whether or not acted upon—in the annual report to the Congress required by section 14(6)?

Mr. BINGHAM. Yes.

Mr. MINETA. I thank the gentleman very much.

Mr. BINGHAM. I thank the gentleman for his contribution and for his kind remarks.

● Mr. PRICE. Mr. Chairman, I rise in support of the amendment that was offered by the gentleman from Missouri, the chairman of the House Armed Services Research and Development Subcommittee.

First, I would like to commend Mr. ICHORD for his role in bringing to our attention the fact that the current system of export control is seriously deficient in insuring our national security objectives. H.R. 4034 goes a long way in improving upon the Export Control Act of 1969—it is a good bill, but it falls a little short in assuring that technology and goods that are vital to our national security are not prematurely transferred to our potential adversaries.

The amendment offered by the gentleman from Missouri simply requires the Secretary of Defense to develop a list of military critical technologies—the transfer of which would jeopardize our national security. This list of military critical technologies would then become part of the commodity control list and would be sufficiently specific to guide the determination of the Secretary of Commerce or any official exercising licensing responsibility over this act.

The need to define and control critical technology and goods dates back several years.

In 1976, a Defense Science Board was convened to address the matter of U.S. technology export. This panel, under the direction of Dr. Fred Bucy, president of Texas Instruments, concluded, and I quote:

> While Defense does not have the primary responsibility for control of technology export, the task force believes the initiatives for developing policy objectives and strategies for controlling specific technologies are their responsibility.

On May 17, 1979, Mr. William Root, Director of East-West Trade, State Department, advised Mr. ICHORD's subcommittee that—

> The Department of Defense is the best equipped place to evaluate the military significance of any particular technology.

Mr. Chairman, we have made a number of serious mistakes especially during the past 5 years in allowing some of our more critical technology and goods to be transferred to the Soviet Union. Most recently, we transferred some very special oil drilling technology to the Soviets. While I would not oppose the sale of drill bits to the Soviet Union, I do strongly oppose the transfer of advanced manufacturing technology to them.

I want to make sure that we do not repeat our past mistakes. We must have a better export control system to serve our security objectives.

At this time the Soviets are most anxious to get U.S. computers and semiconductor technology. Their attempt to acquire our technology has been both legal and illegal.

No legislation, H.R. 4034 included, will provide 100 percent assurance against the transfer of U.S. technology to our potential adversaries. Effective legislation, however, will serve to lengthen the time it takes for them to acquire our technology and goods.

I believe that while H.R. 4034, the bill before us today, enhances the export control process, it must be strengthened to preserve our national security. The amendment offered by Mr. ICHORD adds the necessary strength to this bill and I strongly agree with its adoption.●

● Mr. DERWINSKI. Mr. Chairman, at a time of dollar inflation, a serious deficit in international trade, and the need to maintain our vital alliances abroad, the administration of U.S. export policy is a particularly important issue. It has long been a serious question and is even more so now.

The Export Administration Act (H.R. 4034) recognizes the importance of exports to the U.S. economy but maintains certain restrictions on those exports for reasons of national security, foreign policy, and short supply at home. It is essential that the administration have an instrument that provides flexibility in dealing with our trading partners; economic leverage to help redress the imbalances that adversely affect our exports.

Of particular interest to American exporters is the bill's provisions to improve export licensing procedures and reduce the oppressive bureaucratic restrictions that impede the flow of exports.

Also, a necessary and just decision has been made by the Congress in this bill in its recognition of the profound changes that have taken place in Uganda. There is hope from all quarters that the long, dark travail of Uganda's holocaust is at last at an end. The orgy of death and destruction inflicted on Uganda by Field Marshal Idi Amin is finally over. It is logical for us to help that unfortunate country restore itself.

Hopefully, much of this task can be accomplished through church organizations; Christian missionaries—those who were not butchered by that African despot, Amin—have been a traditionally strong element in Ugandan society, particularly in the area of education. Moreover, religious and charitable organizations, such as Catholic Relief Services, CARE, Protestant church groups, and many private voluntary organizations have long experience and excellent records for success in emergency humanitarian relief programs such as are now needed in Uganda.

This bill is an appropriate vehicle for lifting U.S. trade sanctions rightly imposed by Congress against the viciously totalitarian regime of Idi Amin. The legislative fight for those sanctions, incidentally, appropriate at the time, was led by our colleague, the gentleman from Ohio (Mr. PEASE) over the initial opposition of the administration, which "in principle" opposed trade sanctions in general, although it has fought long and hard—and successfully, thus far—to maintain U.S. sanctions against another African government, the newly elected regime of Bishop Abel Muzorewa in Zimbabwe.●

Mr. BINGHAM. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. BRADEMAS) having assumed the chair, Mr. SEIBERLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4034) to provide for continuation of authority to regulate exports, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO SIT DURING 5-MINUTE RULE ON WEDNESDAY, SEPTEMBER 12, 1979

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House Committee on Agriculture may sit tomorrow, Wednesday, September 12, 1979, during consideration under the 5-minute rule.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

DELETION OF NAME FROM LIST OF COSPONSORS ON H.R. 5050

Mrs. FENWICK. Mr. Speaker, I was erroneously listed as a cosponsor on the bill H.R. 5050, and ask unanimous consent that my name be deleted from the list of cosponsors on that bill.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

REPORT ON PROJECTED DEFENSE DEPARTMENT SPENDING—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-184)

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, without objection, referred to the Committee of the Whole

House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am sure you agree with me that we cannot effectively safeguard U.S. legitimate interests abroad nor pursue safely peace, justice and order at home unless our national security is protected by adequate defenses. The fundamental responsibility of the President—a responsibility shared with Congress—is to maintain defenses adequate to provide for the national security of the United States. In meeting that responsibility, this Administration moved promptly and vigorously to reverse the downward trend in U.S. defense efforts. This is demonstrated by an examination of the trends in real defense expenditures since the mid 1960s. At NATO Summits in May 1977 and 1978 we persuaded our allies to join with us in endorsing a goal three percent real annual growth in defense outlays and an ambitious Long Term Defense Program for the Alliance. Together these represented a turning point, not only for the United States, but the whole Alliance.

For our part, we moved promptly to act on this resolve. We authorized production of XM–1 tanks; we greatly increased the number of anti-tank guided missiles; we deployed F–15s and additional F–111s to Europe, along with equipment for additional ground forces. We reduced the backlog of ships in overhaul and settled contractual disputes that threatened to halt shipbuilding progress. In strategic systems, we accelerated development and began procurement of long range air-launched cruise missiles, began the deployment of Trident I missiles, and have begun the modernization of our ICBM force with the commitment to deploy the MX missile in a survivable basing mode for it.

These and other initiatives were the building blocks for a determined program to assure that the United States remains militarily strong. The FY 1980 budget submission of last January was designed to continue that program. In subsequent months, however, inflation has run at higher levels than those assumed in the cost calculations associated with that defense program. Accordingly, I plan to send promptly to the Congress a defense budget amendment to restore enough funds to continue in FY 1980 to carry out the Administration's defense program based on our current best estimate of the inflation that will be experienced during the fiscal year. Although the detailed calculations needed to prepare an amendment are still in progress, I expect that the amount of the amendment will be about $2.7 billion in Budget Authority above the Administration's January 1979 budget request.

Correcting for inflation is not enough in itself to assure that we continue an adequate defense program through FY 1980. We must also have the program and the funds authorized and appropriated, substantially as they were submitted. Therefore, in the course of Congressional consideration of the second budget resolution, I will support ceilings for the National Defense Function for FY 1980 of $141.2 billion in Budget Authority and $130.6 billion in outlays. I will also request that the Congress support the Administration's FY 1980 defense program and, in particular, that the Appropriation Committees actually appropriate the funds needed to carry it out.

Furthermore, in FY 1981 I plan a further real increase in defense spending. The Defense Department is working on the details of that budget. It would, therefore, be premature to describe the features of that budget beyond noting that it will continue the broad thrust of our defense program, and that I intend to continue to support our mutual commitment with our NATO Allies.

While this defense program is adequate, it is clear that we could spend even more and thereby gain more military capability. But national security involves more than sheer military capability; there are other legitimate demands on our budget resources. These competing priorities will always be with us within the vast array of budget decisions both the Congress and the President are called upon to make. Defense outlays are actually lower in constant dollars than they were in 1963, and a much lower percentage of the gross national product (5% compared with 9%). There are those that think this has caused a decline in American military might and that the military balance has now tipped against us. I do not believe this to be so, but I am concerned about the trends. I believe that it is necessary for us to act now to reverse these trends.

The Secretary of Defense will be presenting to the Congress over the coming months the highlights of our defense program in terms of the goals we think we should achieve and the Five-Year Defense Program we plan to achieve them.

In this context he will point out, among many other items, how MX and our other strategic programs will contribute to the maintenance of essential equivalence between the central strategic forces of the United States and Soviet Union, how we plan to modernize theater nuclear forces in cooperation with our NATO allies, how our general purpose forces programs contribute both to our military capability to support our NATO allies and rapidly to deploy forces to defend our vital interests elsewhere.

That presentation can serve as the basis for future discussions (including open testimony) that will allow us to build the national consensus that is the fundamental prerequisite of a strong and secure America.

JIMMY CARTER.

The WHITE HOUSE, *September 11, 1979.*

□ 1210
REPUBLICANS, RUSSIANS, AND CUBA

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, former President Ford has uttered remarks about the presence of Russian troops in Cuba that are calculated to gain political advantage. But those same remarks ignore the realities of history, reveal a callous indifference toward the need for responsibility from a former president, and uselessly complicate the execution of U.S. policy.

The former President knows, or should know, of the secret deals made by Secretary Rogers and President Nixon in the latter part of 1970, when there was a sharp increase in the concentration of Russian troops on that island. There is nothing new about Russian troops there; the revelations of the past few days are not news at all. This entire episode is intended merely to embarrass a President who appears vulnerable.

Everyone knows, or should know, that Cuba is hardly an independent state. Cuba is and has for years been at the beck and call of its Russian masters. Cuba is financed by the Russians, it is organized by them, and its policies are evolved in clear response to the demands of Moscow. None of that is new. The so-called brigade is not new, either, nor does its presence make any difference in the servile condition of the Cuban Government. If that island had the independence of spirit of even the weakest canary, all it need do is ask the Russian troops to leave. Would they do so? It is a question that can be raised best with Havana. Why do they need the Russians? Do they really want them there?

For ourselves the questions to ask are what about the deals that have been made not by this but by previous administrations to accommodate the Russians in Cuba? For accommodation there has been, and it has been there at least since 1970.

If we have concerns, let us speak to them in truth and in good conscience. That is assuredly the least we should expect from a man like Mr. Ford.

As to Castro, my immediate concern is that the United States should discourage him from his projected plans to visit New York. Our Government should let him know that there are serious threats against him, and that there is no assurance that he could be protected while here. We cannot protect our own judges. Mr. Castro may have to be admitted to the environs of the United Nations, as would any other head of state, even one as servile as he. But our Government has an obligation to inform such vistors of any threat to their safety. Mr. Castro is threatened, and he should not come here, for there is no assurance that he could be protected.

FULL UTILIZATION OF NEW MELONES RESERVOIR

(Mr. SHUMWAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SHUMWAY. Mr. Speaker, I stand before my colleagues today to apprise them of a situation within my congressional district.

There exists a dam on the Stanislaus River which was authorized in 1962 by the 87th Congress. The U.S. Army Corps of Engineers is nearing completion of the construction phase and the project's management will soon be turned over to

the Bureau of Reclamation. As many of my California colleagues already know, the filling of the New Melones Dam has been an issue of great controversy because the reservoir which will be created will inhibit the white water portion of the Stanislaus River.

As an early supporter of the project and while a county supervisor in adjacent San Joaquin County, I feel this dam is vital to our community because of the project's inherent benefits.

In 1974 a statewide initiative was held on this very issue: whether or not to fill the dam, and the voters of California approved of the project's completion—hence showing their support for its filling.

However, the New Melones project is currently stalled in court due to a legal battle between the State of California and the United States. Until this case is decided, the potential utilization of the reservoir is being wasted.

The mail I have received on this issue, like the 1974 initiative, shows a clear support for filling the reservoir. In order to provide my colleagues with a synopsis of the positive aspects of New Melones, I am inserting into the RECORD a resolution sent to me recently by the Delta Water Users Association of Stockton, Calif.:

RESOLUTION RECOMMENDING THE FULL UTILIZATION AT THE EARLIEST POSSIBLE DATE OF THE NEW MELONES RESERVOIR

Whereas, the New Melones Reservoir was authorized by the U.S. Congress in 1962 and has now been constructed by the U.S. Corps of Army Engineers; and

Whereas, upon the completion of the construction of the New Melones Reservoir, no valid reason appears to this Association why the same should not be used to provide flood control protection, hydro-electric power, and water conservation as intended by the legislation which authorized the same.

Now, therefore, be it resolved and ordered by the Directors of this Delta Water Users Association as follows:

1. That the New Melones Reservoir has now been completed at the expense of the taxpayers and the prompt maximum utilization of its capacity will provide many benefits, including the following:

(a) Clean hydro-electric power;

(b) Flood control benefits downstream from the Reservoir;

(c) Improved water quality in the lower San Joaquin River and southern Delta;

(d) Net daily downstream flows in the lower San Joaquin River and southen Delta channels;

(e) Water available for CVP and SWP export via the CVP and SWP pumps near Tracy;

(f) Enhancement of the fishery; and

(g) Downstream benefits in the central and western portions of the Delta.

2. That in addition to the many benefits that will be provided by the maximum utilization of the New Melones Reservoir, such benefits may be provided without the necessity of the use of electrical energy for pumping.

3. The Board of Directors of this Agency urges that all public officials use their best efforts to assure at the earliest possible date the maximum utilization of the New Melones Reservoir in order that the many benefits to be provided thereby may be provided without unnecessary delay.

□ 1750

Mr. KEMP. Mr. Speaker, I ask unanimous consent that my special order might precede that of my colleague, the gentleman from Oklahoma (Mr. EDWARDS).

The SPEAKER pro tempore (Mr. BRADEMAS). Is there objection to the request of the gentleman from New York?

There was no objection.

CONGRESS MUST NOT ALLOW THE FTC TO THREATEN THE JOBS AND THE BARGAINING RIGHTS OF AMERICAN WORKERS

The SPEAKER pro tempore (Mr. BRADEMAS). Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

Mr. KEMP. Mr. Speaker, on Thursday, September 6, along with my colleagues HOWARD WOLPE of Michigan, BOB WALKER of Pennsylvania, LUD ASHLEY of Ohio, JOHN CAVANAUGH of Nebraska, and JAMES OBERSTAR of Minnesota, I met with representatives of the American Federation of Grain Millers; the International Brotherhood of Teamsters, the Warehousemen, Chauffeurs and Helpers of America; the United Rubber Workers; the Retail, Wholesale and Department Store Union; the Baker and Confectionery Workers Union; the Food and Beverage Trades Department; and the American Flint Glass Workers Union. I congratulate Mr. WOLPE for his efforts and leadership.

Among those present were Kenneth J. Mulhisen, president and secretary-treasurer of the American Federation of Grain Millers, Local 36 of Buffalo, Walter C. Wojcik, business representative of Local 26, Robert Willis, executive vice president of the Grain Millers International Union, and Lenore Miller, vice president of the Retail, Wholesale and Department Store Union, AFL–CIO.

Frankly, I found it outrageous that we had to convene such a meeting.

The topic: The Federal Trade Commission's "Shared Monopoly" suit against three ready-to-eat (RTE) cereal manufacturers, General Mills, General Foods, and the Kellogg Co.

I am deeply concerned at what appears to me as a Federal proceeding operating in a vacuum at the same time it threatens the unemployment of more than 2,600 workers in the cereal industry alone.

The FTC does many stupid things in pursuit of its regulatory authority. But, in my opinion, it is unconscionable and stupid that it would ignore the potential joblessness of 650 workers of General Mills, 1,400 employees of Kellogg's, and 600 workers of General Foods, not to mention the threat of layoffs to many hundreds of additional workers involved in transportation and other activities supporting the supply and marketing of the FTC-targeted cereal companies, particularly at a time of economic duress in this Nation.

I do not believe that economics—as it affects hard-won bargaining rights of working men and women, their job security, pensions, insurance, seniority and working conditions—should be some abstract game played by Federal employees in Washington. I cannot understand the FTC's denial of the Grain Millers' motion to fully intervene in the divestiture proceeding. Who else, I am compelled to ask, has a greater interest in the pending action than the workers and their families who are confronted with the loss of their livelihoods, benefits, and even uprooting from their communities?

I find the FTC's record statement that "employees have no overriding right to perpetual employment" or the statement that Grain Millers' interests "are wholly irrelevant to the issues in this case" to be callous in the extreme. I do not think that FTC employees, or Commissioners for that matter, would accept the abrogation of their own rights of employment, pensions, and benefits without recourse.

HISTORY OF FTC ACTION

Since 1972, the Federal Trade Commission (FTC) has conducted an anti-monopoly administrative law case against four cereal manufacturers, Kellogg Co., General Mills, Inc., General Foods Corp., and the Quaker Oats Co., in which FTC charges that these companies have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of section 5 of the Federal Trade Commission Act. The Quaker Oats Co. was subsequently dropped from the case upon petition to the FTC.

Leaving aside the propriety of the FTC to conduct this investigation on the basis of the market facts presented, sizable evidence has amassed which indicates that this whole procedure was politically motivated and designed to insure long-term employment for the FTC staff. In the June 14, 1976, issue of Newsweek magazine, former FTC staffer, Charles E. Mueller, who was in on the ground floor of this lawsuit stated:

I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters. . . .

UNION CONTRACTS THREATENED

The FTC has proposed that, should it find that monopolistic practices exist among the big three cereal manufacturers, these companies must divest several plants so that five new firms are created by spinoff, three from Kellogg's assets, one from General Mills, and one from General Foods. What this really means, however, is that 2,650 workers face the potential loss of their jobs, and even if they are hired by the new firms, there is no assurance that existing union contracts will be in force.

Before coming to the Congress, I was cofounder of the AFL Players Association and helped to negotiate the first comprehensive contract in professional football. Believe me when I say I understand how hard it is to hammer out contracts. And I believe that once contracts are signed, they must not be subject to outside interference, especially by tax-paid officials at any level of Government, be it Federal, State, or local. As a Member of Congress, I am convinced that I and my colleagues have the duty to pro-

tect workers' rights under the time-honored Labor Relations Act.

What constitutes a monopoly is not the central issue here. Whether the three, aforementioned cereal producing firms, along with Nabisco, Quaker Oats, Ralston and other competitors are inhibiting competition or stimulating competition are matters that must be decided on the merits of this case. Whether or not pricing patterns are the result of competition or some formula or novel view of FTC officials—or whether a firm's bigness or smallness is good or bad—is not our primary concern. I say this despite my serious reservations about the possibilities of regulatory overkill in the free enterprise system. However, if there exists serious evidence of a monopoly in the view of the FTC, why has not the FTC turned over its investigation to the Justice Department's Antitrust Division instead of letting it drag on for 7 years? And equally as important, why has not the FTC determined how many firms—5, 10, or whatever—constitute competition or monopoly?

The FTC is waging war on workers and business alike and all in the name of "consumerism." Well, workers are consumers to, Mr. Speaker.

The immediate issue with which we are concerned is this. Whether or not working men or women have the right to be protected against the arbitrary termination of their careers and their contractual rights under law. Unless the FTC allows full participation by the Grain Millers and other interested unions in the ongoing proceeding—including the right of counsel to present and cross-examine witnesses—I believe these rights to protection will be in jeopardy. The decision of the administrative law judge and the Commission to authorize the union to present its views in amicus curiae briefs in response to my letter to FTC Commissioner Michael Pertschuk is only a partial solution, as no cross-examining or presenting of witnesses will be likely to be allowed by the union under this procedure.

I say that the grain milling employees in Buffalo will not go the way of the Federal Glass Co. employees in Columbus, Ohio, because of FTC interference which closed down the plant employing 1,500 persons. I say that, in concert with my congressional colleagues and as a representative of the workers directly and indirectly involved in this case, I will exert every effort, legislatively and otherwise, to assure a full voice for their rights in this proceeding.

I would like to enter for the RECORD at this time some of the statements of the union representatives at this morning's meeting on this most serious jobs issue, as well as the correspondence Edward J. Rutkowski, executive of Erie County, N.Y., Buffalo Mayor James D. Griffin, others, and myself have had with FTC Commissioner Michael Pertschuk:

STATEMENT OF ROBERT WILLIS, EXECUTIVE VICE PRESIDENT OF THE AMERICAN FEDERATION OF GRAIN MILLERS INTERNATIONAL UNION

I would like to introduce representatives of the Grain Miller Local Unions which represent the employees from the various plants involved in the cereal divestiture case of FTC.

The Grain Millers requested this caucus because the FTC refused to let us intervene as a party in the anti-trust suit against the manufacturers of ready-to-eat cereal.

In 1972, FTC began its case against the companies of Kelloggs, General Mills, General Foods and Quaker Oats, charging them with a violation of section V of the Federal Trade Commission Act. The charge was based on a new and unique theory by FTC that the four companies were involved in a so-called shared monopoly of the industry.

While the Grain Millers were aware of the FTC suit, we did not realize what was taking place in the court room. We did not believe the FTC case would have any affect on our Union or our jobs. We sat on the sidelines with others and read about the FTC spending $5 million dollars on the case, and at a combined cost to the taxpayers and to the companies involved of over $15 million dollars as of November, 1978.

The original charge and the remedy proposed by FTC was vague. However, in their trial brief dated April 3, 1976, the FTC became specific about the remedy they were seeking in the case. Five new companies were to be created from assets of Kelloggs, General Mills and General Foods. Kelloggs would be required to sell their plants at Memphis, Tennessee, San Leandro, California and Omaha, Nebraska. General Mills would be required to sell its South Chicago plant. The plant involved from General Foods was not identified. The new company at Memphis, Tennessee would be given the exclusive rights to manufacture Rice Krispies. The new plant at San Leandro would be given the exclusive right to manufacture Special K. The South Chicago plant of General Mills would be given the exclusive right to manufacture Wheaties, and the other company would be given similar brands. The companies involved would be required to license their existing brands, trademarks, and future brands or trademarks on a royalty-free basis for a specified period of time. They would also be required to provide know-how as might be required for, or useful in, such manufacture, distribution and sale.

In the latter part of 1977, we learned that the Kellogg Company had contracted an independent agency to conduct a job impact study, and we requested the information from Kellogg under the National Labor Relations Act.

After receiving the results of the study, we realized the impact upon our members if the FTC was successful in their proposed remedy. The immediate loss of jobs was estimated at 2,650. At this point the Grain Millers requested our attorneys to investigate the case and its affects upon our members. Our attorney informed us that in addition to the loss of jobs if the FTC was successful in creating five new cereal companies, the new companies would be under no obligation, under the successor doctrine, to rehire present employees, or to honor our present contracts, some of which have been in existence since 1937.

On February 24, 1978, FTC dismissed Quaker Oats as a party to the proceeding because although Quaker had also participated in unlawful conduct as charged, the relief requested was not required to "restore competition" to the industry. Also involved was the fact that Quaker Oats had more than quadrupled its share of the market from 2% to 9% during the previous 12 years. This, of course, was contrary to the FTC theory that a small company could not enter the market and survive.

On April 10, 1978, we filed a Motion to Intervene as a party in the case in order to protect the jobs and rights of our members. On June 9, 1978, Judge Hinkes, the FTC Judge in the case, refused to permit us to intervene in the case as a full party. In the FTC Trial Brief, the FTC said that "employees have no overriding right to perpetual employment on the same or any other basis".

In denying us the right to intervene, Judge Hinkes said "complaint counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief".

When we received the Hinkes' decision, we were appalled. With so much at stake, we could not believe FTC would refuse to let us intervene.

Later on we learned of the separate contract Judge Hinkes made with the FTC which would allow him to remain on the case after his retirement from the Federal Trade Commission in order to finish this one case. According to the information we have, Judge Hinkes was in the process of negotiating this agreement during the time he was considering our Motion to Intervene. The contract, as we understand it, was for a specified sum of money to complete the case. We cannot help but wonder if Judge Hinkes' decision was influenced by the terms of the contract he was negotiating with FTC.

We question FTC's involvement in an area where they have no jurisdiction; that is, the National Labor Relations Act. The Grain Millers is the certified bargaining agent for the employees at four of the plants which FTC wants the cereal companies to spin off. If the divestiture takes place, the new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of the new companies might decide to get by without a Union.

In the event that the company decided to hire less than 50% of the present employees, they would be under no obligation to recognize the Union as bargaining agent.

The Master Agreements currently in effect for both Kelloggs and General Mills would become void. These contracts were negotiated in good faith under the National Labor Relations Act. We do not believe that the FTC should have the right to literally tear up these contracts.

We are here today because the legal process with FTC has failed. We ask for your help because we do not want to see our members lose their jobs, their wages, benefits and other contractual rights which we have negotiated over the years.

You are our elected representatives. Our members and the cities and States where these plants are located are depending on you.

We hope that you will use whatever means are available to assure preservation of our jobs, contracts, wages, pensions, and other benefits.

We believe the F.T.C. has a responsibility to conduct a study of their proposed remedy in this case and to amend it as necessary to provide minimum guarantees which will assure:

1. That there will be no loss of jobs or revenue to the cities and states involved.

2. That our members will continue to be covered by their present contracts, maintaining their current levels of wages, pensions, benefits, and other conditions of employment.

On behalf of the American Federation of Grain Millers and our members, I want to thank you for hearing our case against the FTC.

STATEMENT OF LENORE MILLER, VICE PRESIDENT AND ASSISTANT TO ALVIN E. HEAPS, PRESIDENT OF THE RETAIL, WHOLESALE AND DEPARTMENT STORE UNION, AFL–CIO

In 1972, the Federal Trade Commission initiated a proceeding against the Kellogg, General Mills, General Foods and Quaker Oats companies. The FTC charged that the

companies had "a highly concentrated, noncompetitive market structure," and that they "shared monopoly power in, and have monopolized, the production and sales of the ready-to-eat cereal market," in violation of the FTC act. In March, 1978, Quaker Oats was released as a defendant.

If the remaining three respondents in the case are found culpable as charged, the FTC proposes to order divestiture of several of the plants operated by the respondents and also to divert a percentage of production from the remaining plants to the new competitors the divestitures are designed to create. The FTC also proposes certain restraints in the marketing practices of respondents.

The trial of the matter, in suspension pending assignment of a new administrative law judge, is scheduled to resume on October 1, 1979.

Our delegation represents the Retail, Wholesale and Department Store Union, AFL–CIO and more particularly the members of Cereal, Bakery and Food Workers Local 374, an affiliate of our International Union. The local represents production and maintenance workers at the General Foods Post plant in Battle Creek, Michigan. We turn in protest to you partly because the FTC has denied permission to the unions to intervene in the case.

The action the FTC proposes against the three major producers in the cereal industry will arbitrarily take almost 600 jobs away from our members in the Post plant in Battle Creek, and many hundreds more in other cereal plants in that close-knit community.

Such a surgery on Battle Creek, long dependent on the cereal industry, would be a harsh one. At the Post plant alone, the cutback in production proposed by the FTC would represent a 31.2 percent reduction in jobs.

The loss of payroll from this, and from cutbacks in other cereal plants in Battle Creek, plus spinoff layoffs, will cruelly affect the entire community. It will be merciless on those who will be laid off at the cereal plants. The direct loss of jobs will be among the younger workers, those just beginning to establish families, beginning to acquire homes, beginning to settle down to productive lives in a community to which they owe their roots.

And the older workers that remain at work will also suffer. Many of them will be transferred to lower paying jobs, forcing them to abandon skills they acquired in long years of service with their employer. Even more significant, the pensions that they have been expecting to receive in their retirement years will be endangered. With the work force reduced, it will leave a much higher percentage of older individuals who, in a relatively short period of time, will be drawing on the pension fund—without the solvency of those funds being bolstered by the presence of younger workers more distantly eligible for pensions. This actuarial imbalance can cut benefits and perhaps scuttle the pension programs entirely.

In view of the injurious impact on the workers of the FTC proposals to curtail production in the parent plants in Battle Creek, it is outrageous that the FTC, over the course of its lengthy proceedings in this matter, has rejected union appeals to intervene. Such appeals have been met with the callous comment that the unions and their members working in the affected plants have "no direct interest" in the matter.

We say, the workers have as direct an interest as anyone, in fact—more. Their interest lies in their jobs, their very livelihoods and the security of their old age. Their interest, it seems to us, is more direct and vital than, say, the profits of the companies involved or of the unnamed entrepreneurs the FTC suggests should enter the cereal industry.

There is another area of concern in this matter that is important to us and should be the concern of this committee and your colleagues in the Congress as a whole. We speak of the need to preserve a viable economy in the "frost belt" of our country, a section that steadily over recent years has been losing jobs to the so-called "Sunbelt." The proposals of the FTC would abet this departure of employment, would willfully force a migration of jobs, with no concern for the region losing them.

It is well and good to develop *new* jobs in the South and elsewhere, but the historic economic imbalance geographically prevailing in our nation cannot be remedied by diminishing the economy of one region to increase it in another. Such reverse imbalance does no service to the nation. To see the FTC deliberately set out to pursue this course of dislocation is distressing to demographers and economists alike.

Another area of concern to us, as unionists, is that the proposals of the FTC whether intentional or not, are union-busting proposals.

The plants involved in the divestiture proposed by the FTC are unionized. Since the FTC wants to insist that this divestiture be complete, with legal umbilicals to the divestors completely severed, no residual rights will remain with the workers and no responsibilities incumbent on the divesting parties. New owners of divested plants will be legally free to deny recognition and union contracts to workers who now are organized in those units. We deplore the invitation to union-busting that the FTC's scheme offers.

All we ask is that our members in Battle Creek, and other union members in that threatened community, as well as those elsewhere in respondents' plants, be permitted to retain their jobs and their union conditions of work.

It is not for us to defend against the allegations made by the FTC concerning the respondents. Undoubtedly, respondents are capable of defending themselves.

Suffice it to say, that any sacrifice of the public interest that can be shown by reason of the methods of business allegedly conducted by the respondents can be corrected by actions not as drastic, disruptive, dire and draconian as the measures proposed by the FTC.

For instance, if it can be shown that any or all of them are monopolizing shelf space in retail outlets, certain enforceable regulations can be found to correct such practices. If it can be shown that certain advertising campaigns are discouraging to free competition, that, too, can be remedied by regulatory enactment. Likewise, any other validated complaint about any business practice of respondents can be dealt with on a specific basis.

This case has been dragging on for many years, at a cost of many millions of dollars to the taxpayers of this nation and of untold anxiety to thousands of workers in the employ of the respondents. At least one respondent has declared that an unfavorable decision by the FTC would send respondents to court on appeal, thus burdening the taxpayers with additional costs and prolonging the agony of workers nowhere charged with wrongdoing. It seems to us that reasonable parties could stipulate an agreement that would safeguard the public's interest without bringing acute distress to the community of Battle Creek and irreparable harm to respondents' employees.

Your committee is urgently and respectfully solicited to use its good offices to assure that no harm befalls the employees of the respondents, that no demographic or economic dislocation emerges from this matter, and that union-busting is not encouraged by any proposal put forth by the FTC.

We seek only justice. We ask no special advantage. Our members want only honest work on an honest product. Won't you help us?

LETTER OF EDWARD J. RUTKOWSKI, EXECUTIVE OF ERIE COUNTY, N.Y.; BUFFALO MAYOR JAMES D. GRIFFIN; KENNETH J. MULHISEN, PRESIDENT LOCAL 36, AMERICAN FEDERATION OF GRAIN MILLERS (AFGM); PETER J. RYBKA, INTERNATIONAL VICE PRESIDENT, AFGM; WALTER C. WOJCIK, BUSINESS REPRESENTATIVE, LOCAL 36, AND WILLIAM J. DONOHUE, EXECUTIVE DIRECTOR OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO MICHAEL PERTSCHUK, CHAIRMAN OF THE FTC.

AUGUST 30, 1979.

Re Pending Cereal Market Case.

MICHAEL PERTSCHUK,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR CHAIRMAN PERTSCHUK: The Federal Trade Commission's law suit against Kellogg, General Mills and General Foods conflicts with the Federal Government's efforts to revitalize the Buffalo area economy by causing 160 General Mills jobs in Buffalo to be eliminated. Therefore, we strongly urge the FTC to desist in its efforts to force these companies to divest 6 plants.

By way of background, the Buffalo area has a long standing reputation as an economically declining heavy industrial area. Approximately 88 factories closed in the 1969–78 period, resulting in the loss of more than 16,000 jobs. During 1977 alone 7 plants closed resulting in the loss of nearly 4,300 jobs. In response, the Erie County Industrial Development Agency has devised an economic readjustment strategy.

The result—a superplan which hopes to turn $35 million of public sector seed money into $77 million of private sector investment. Over the next four to five years, this $112 million package will create and retain eight to ten thousand manufacturing jobs. Despite this positive influence, our growth rate will remain below the national average. Therefore, there is no margin for error.

A key element to our strategy is to retain our flour milling and cereal processing jobs. To accomplish this, we have established the Freight Rate Coalition to (a) oppose proposals, such as this, that adversely affect employment and, (b) to initiate offensive strategies. The bottom line: we are working toward retaining existing employment, and toward encouraging additional investment and jobs.

In this instance General Mills has been a good neighbor. We would like it to remain and we cannot accept FTC's attempts to take away 160 of our jobs.

We are amazed with FTC's insensitivity toward the welfare of thousands of workers in several communities throughout the United States. We see no reason why FTC rejected the Grain Miller's motion to intervene and trust FTC representatives will not only meet with union representatives on September 5 and 6, but will decide not to pursue this economically destructive case.

We look forward to an expeditious response.

Very truly yours,

James D. Griffin, Mayor, City of Buffalo; William J. Donohue, Executive Director, ECIDA; Edward J. Rutkowski, Erie County Executive; Walter C. Wojcik, Business Rep., Local 36; Peter J. Rybka, International Vice President, Am. Fed. of Grain Millers; and Kenneth J. Mulhisen, President, Local 36.

At this point, Mr. Speaker, I would like to yield to my friend and colleague, the gentleman from Michigan (Mr. WOLPE), who has taken such stand for his own

hard-working people not only in his own district but for my people in Buffalo who are involved in this battle.

Mr. WOLPE. I thank the gentleman. I want to begin by commending the gentleman from New York (Mr. KEMP) for requesting this special order to draw to the attention of our colleagues what is an issue that really ought to be taken very seriously by this Congress, as well as a whole variety of concerns that have been presented to us by the workers in the communities that would be most directly affected by the outcome of this case. I think this is a matter we should be tending to most carefully.

Mr. Speaker, let me begin by saying that, personally, I do not believe that the FTC has presented a case justifying a breakup of the cereal industry. But since the regulatory proceedings deciding this question are still in progress, I want to focus on the immediate issue of due process, both as it relates to the rights of intervention, and as it relates to the careful consideration of the impact a breakup would have on the jobs, and the local economies where cereal industry plants are located.

Since the FTC initiated its case against the cereal industry 7 years ago, many difficult issues and controversial questions have been raised. Whatever resolution is ultimately reached in this case, one thing remains clear—a decision against the cereal industry could have a profound economic impact on the workers within the industry and the communities in which they live.

Amazingly, however, the unions have been denied the right of intervention in the regulatory proceedings, despite the fact that what is at issue in these proceedings is not only the question of whether or not the cereal industry is in violation of Federal laws prohibiting unfair methods of competition, but also, if it should be determined that violations have occurred, the merits of the proposed remedies. To deny the involvement of the industry workers in an assessment of the impact of alternative remedies that could profoundly affect their lives—either through job loss or through serious damage to retirement benefits and other economic rights that have evolved out of collective bargaining agreements—is to me incomprehensible.

Denying intervention will not make these problems go away. It is imperative that we understand the potential impact of proposed remedies so that we can anticipate and avert any difficulties down the road. Clearly, the workers are justified in their desire for involvement in this issue.

A forum was organized last week with the intent of providing an opportunity for the workers, who will be affected if a breakup of the cereal industry does occur, to express their concerns about the potential for a major negative impact on employment and on the economic health of their communities.

It is my hope that my colleagues will study the testimony given at this forum, which we inserted in the RECORD today. The concerns of these workers are legitimate; they are serious, and they present major questions and challenges for all of us in this Congress.

It is my very strong belief that the FTC seriously erred in denying the petition to intervene in the regulatory proceedings. It is my hope that the FTC will reconsider its decision so that the concerns of the workers will be fully aired and given the careful consideration they deserve.

I am most appreciative for the very fine work the gentleman from New York (Mr. KEMP) has put into drawing this matter to the attention of our colleagues in the House. I also want to draw attention to the participation of and cosponsorship by the Senators from Michigan, Mr. RIEGLE and Mr. LEVIN, and the Senator from Nebraska, Mr. EXON, in addition to those previously mentioned.

Mr. KEMP. I thank the gentleman for his comments.

Again, I appreciate his efforts on behalf of the people of his own district as well as the hard-working men and women of my district.

I now yield to my friend, the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. I thank the gentleman for yielding.

I also compliment my colleague, the gentleman from Michigan (Mr. WOLPE) in commending the gentleman from New York (Mr. KEMP), as well as commending the gentleman from Michigan (Mr. WOLPE), for the leadership that they have shown here. It is essential that we focus the attention of the Congress and the country on the actions of the FTC, and particularly with regard to the due process rights of the employees in this industry. It is absolutely intolerable, I believe, from any perspective of justice that these employees' bargained rights, long coming over the past several years, can be wiped out without any ability for them to participate in the legal process to determine the outcome. In Omaha, Nebr., in the Kellogg plants there are more than 800 employees with a payroll of $10 million. Erosion of the terms of their employment would have a significant effect not only upon their lives but on the entire economy of my city and my State.

So I commend the gentleman from New York (Mr. KEMP) for taking the time to direct the attention of the Congress and the country to this most critical issue, in the hope that our efforts might make some impact on the outcome of these proceedings, in the extension of basic fairness in allowing these employees to be heard.

Mr. KEMP. The gentleman has made a real contribution to the effort. I appreciate that. He not only talks about fairness, but economic conditions in our country today do not allow anyone to play cavalierly with the jobs of thousands of people, because unemployment is predicted to go up almost 8 percent. It seems to me unconscionable that we could also voluntarily lose jobs in an industry such as this that is so precarious. So the efforts of the gentleman from Nebraska (Mr. CAVANAUGH), as well as those of our colleagues from Michigan, are very appreciated.

● Mr. NOWAK. Mr. Speaker, much has been said, in recent years, about the regulations and regulatory bodies of the Federal Government. Employers argue that overregulation causes undue hardship and unnecessary expenditure. Consumers consider Federal regulation a factor in the increased cost of products. Elected officials, including many in this body, feel regulations are inhibiting the private sector, thereby making difficult their economic development activities. Comments about the insensitivity of regulators echo in all areas of our national community.

The specific case I address today clearly illustrates these concerns are not without foundation.

The American Federation of Grain Millers, on September 5, demonstrated at the headquarters of the Federal Trade Commission to protest the potential loss of 2,600 jobs in the ready-to-eat cereal industry, a loss that could result from the FTC's pending divestiture case against the industry. This case was initiated in 1972 and charges that the ready-to-eat cereal industry is a monopoly under section 5 of the Federal Trade Commission Act.

The FTC proposes that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assinged exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands." The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. Since General Foods had only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

The Grain Millers have presented to various Members of the House and Senate their case against the FTC. I submit that document for inclusion in the RECORD:

GRAIN MILLERS CASE AGAINST FTC

First we want to make one thing clear. We are not protecting the FTC's right to bring suit against the cereal companies under the Federal Trade Commission Act, or to pass judgment as to the guilt or innocence of the companies involved. This is properly a matter for the FTC and the Courts to decide. We are protesting:

1. FTC's involvement into an area where they have no jurisdiction; that is, the National Labor Relations Act.

2. FTC's complete disregard and lack of concern for the welfare of the thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which the FTC wants to spin off into five new cereal companies.

4. FTC's refusal to allow the Grain Millers Union the right to intervene in this case in order to represent and protect the rights of our members who will be affected.

Let's be more specific.

1. FTC's involvement under the National Labor Relations Act.

What we are talking about here is the effect that FTC's position would have if they are successful in spinning off five of the existing plants and the creation of five new cereal companies. The plants affected which are represented by the Grain Millers are the San Leandro, California, Memphis, Tennessee and Omaha, Nebraska plants of Kelloggs, and the South Chicago, Illinois plant of General Mills. The Grain Millers is the recognized bargaining agent of each of these plants certified under the National Labor Relations Act. If FTC is successful and the new companies are created, these new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of these new companies might decide to try to get by without a union. In the event that the company decided to hire less than 50 percent of the present employees, they would be under no obligation to recognize the Union as the bargaining agent.

2. FTC's complete disregard and lack of concern for the welfare of thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

According to independent job impact studies, approximately 2,650 employees will be immediately ousted from their jobs; 1,400 of these from Kelloggs, 650 from General Mills and 600 from General Foods. FTC does not dispute the estimated job losses resulting from the proposed remedy and have termed it "noncontroversial".

FTC also stated "That employees have no overriding right to perpetual employment on the same or any other terms". An example of FTC's complete disregard for people who lose their jobs as a result of action taken by the FTC is the needless death of Federal Glass. In the name of promoting competition, the FTC stymied a plan to sell Federal Glass Company in Columbus, Ohio. As a result, a factory that employed 1,500 people has been shut down and many of these employees are drawing welfare today.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which FTC wants to spin off into five new companies.

The employees at the four Grain Miller plants involved are covered under Master Agreements, some of which have been in existence since 1937. The Master Agreements cover such items as pensions, insurance, holidays, vacations, seniority, etc. The employees are also covered by individual Supplemental Agreements at each plant which cover wages and working conditions. All contracts have been negotiated in good faith under the National Labor Relations Act. If FTC is successful, the effect would be the same as if they were to literally tear up each contract. The new companies would be under no obligation to continue any of the contracts. Even if the Union were recognized by the company as bargaining representative, wages, pensions, benefits and all working conditions would be subject to renegotiation.

4. FTC's refusal to allow the Grain Millers International to intervene in this case.

On April 10, 1978 the American Federation of Grain Millers filed a motion with FTC to intervene in the case. Despite the potential loss of Grain Miller membership and the literal destruction of the contracts of the four spun-off Grain Miller plants, the FTC rejected our motion to intervene. The following are quotes from the FTC Complaint Counsel's opposition to the Motion For Leave To Intervene:

"These cases make it clear that employees have no overriding right to perpetual employment on the same or any other terms. Second, the question that the Union wishes to raise is wholly irrelevant to the issues in this case."

"Nor do these conditions have any bearing on the question of the effectiveness of the proposed remedy in lowering entry barriers and restoring vigorous competition. In short, because the Union's question will shed no light on the issues raised by the complaint, the Union has failed to demonstrate that its intervention will contribute to the case."

In rejecting the Motion to Intervene, Judge Hinkes stated: "Complaint Counsel do not disagree with the International Union's legal and factual assertions about the consequences of the proposed relief."

Prior to the Grain Miller's attempt to intervene, over 26,000 pages of transcript had been taken in the case, and not one word in the transcript related to the protection or concern for the employees who would be affected by the remedy suggested by FTC.

The Grain Millers strongly believe that the employees affected have a right to be heard and to their day in court, through their authorized representative as certified by the National Labor Relations Board. We have negotiated the contracts which will be destroyed if FTC is successful. Why then should we not have a voice in the case to protect the interests and contractual rights of these employees. Thus far, FTC has refused to listen to our repeated petitions to be heard in this matter.

We will appreciate any help you may give us to correct this injustice.

ROBERT F. HARBRANDT, *President.*
BEVERAGE TRADES DEPARTMENT, AFL–CIO
AMERICAN FEDERATION OF GRAIN MILLERS, AFL–CIO.

I hope my colleagues will give serious consideration to joining in supporting a sense of Congress resolution being prepared by Representative HOWARD WOLPE to address this issue. It is imperative that this body direct its attention to this case, in order that the regulatory agencies of the Federal Government receive notice that the Congress shall not be passive while our constituents are regulated out of employment.●

● Mr. LAFALCE. Mr. Speaker, I am deeply concerned about an FTC suit which not only affects the jobs of 2,600 American workers, but also affects the bargaining rights they fought long and hard to gain. It is one thing for agency lawyers to play textbook law games in Washington, but it is quite another thing to look at the effect of their actions. If the FTC's purpose is to protect the consumers of this country, then it goes without saying that it must look at the overall picture of any action it takes. Obviously, it is not doing this in this case.

The FTC's denial of the Grain Millers' motion to intervene in the divestiture proceeding is in callous disregard of its mission, and is in blatant contempt of the right of so many American workers. We have a duty to see that those who will be directly affected by the proceeding have the right to participate in that proceeding. I find it incredulous that the FTC found that these "employees have no overriding right to perpetual employment" and that the Grain Millers' interests "are wholly irrelevant to the issues in this case."

After the September 6 forum, I met with Kenneth Mulhisen, president of the American Federation of Grain Millers Local 36, of Buffalo, and Walter C. Wojcik, business representative of local 36. They gave me a complete picture of this 7-year-old proceeding and the effect it will have back home. Quite frankly, I was flabbergasted. I think it is absolutely inequitable that those who will be affected by the proceeding cannot participate in it.

I am attaching a letter I sent to Michael Pertschuk, Chairman of the FTC, and a memorandum on the history and ramifications of the proceeding so that my colleagues can see the seriousness and the magnitude of this situation:

WASHINGTON, D.C.,
September 6, 1979.

MICHAEL PERTSCHUK,
Chairmen, Federal Trade Commission, Washington, D.C.

DEAR CHAIRMAN PERTSCHUK: I would like to draw your attention to the Federal Trade Commission's pending proceeding against General Foods Incorporated, General Mills, and the Kellogg Company.

Regardless of any arguments for or against the FTC action, I am deeply concerned over the prospect that as many as 2,650 workers in the cereal industry will lose their jobs as a result of the action. For this reason, I am requesting that the FTC reconsider its denial of the Grain Miller's motion to intervene in the proceeding.

I feel that the Grain Millers and the other interested unions must be represented in the proceeding so that the full impact of your decision can be gauged more precisely, and so that the rights of the workers whose jobs will be in jeopardy will be protected.

The job security, pensions, insurance, seniority rights and working conditions of thousands of men and women should not be placed in even more dire jeopardy because of their inability to directly participate in a proceeding which will drastically affect their lives.

Sincerely,

JOHN J. LAFALCE,
Member of Congress.

MEMORANDUM ON THE HISTORY OF FEDERAL TRADE COMMISSION PROCEEDING AGAINST THE CEREAL INDUSTRY

Since 1972, the Federal Trade Commission (FTC) has conducted a case against Kellogg Company, General Mills, Inc., General Foods Corporation, and the Quaker Oats Company* (the Respondents) in which the Commission charges that the Respondents have maintained "a highly concentrated, noncompetitive market structure in the production and sale of RTE (ready-to-eat) cereal" and "share monopoly power in, and have monopolized, the production and sale of RTE cereal market," all in violation of Section 5 of the Federal Trade Commission Act.

A proposal for an FTC investigation of the cereal industry came to light in the course of some hearings of the House Small Business Committee which published memoranda of the FTC's Division of General Trade Restraints urging an investigation of "highly concentrated industries". Included (on a national basis) in the proposal for investigation were "Breakfast Cereals", "Gasoline", "Office Copying Industry", "Auto Parts Industry", "Razor Blade Industry" and "Television Network Industry". Although the "Breakfast Cereal" industry was dwarfed by

*Quaker, after spending almost $2 million in legal fees, was released as a defendant when the FTC observed that Quaker's market share had risen from 2 percent to 9 percent during the last 12 years.

some of the others selected for study and was larger only than "Electric Office Typewriters" and "Razor Blades", and that "Case potential (savings)" was vastly greater in "Gasoline", "Auto Parts", "Soft Drinks", and "Television Networks", they nominated breakfast cereal as the number one target and asked for a Commission resolution for an investigation of the breakfast cereal industry.

Reasons given for selection of breakfast cereal as the first target in these memoranda are unconvincing. A more likely reason is expressed in an article appearing in the June 14, 1976 issue of Newsweek quoting Charles E. Mueller, a former FTC staffer and a source of theory for the investigation:

"I didn't pick the auto or petroleum industry because they have too much political clout. The cereal industry didn't have the political muscle to muddy the waters . . ."

The FTC proposed that five new firms should be created by spinoff, three from Kellogg's assets, one from General Mills' assets, and one from General Foods' assets. The three firms to be created from Kellogg's assets would be created, respectively, from the Memphis, San Leandro, and Omaha plants. Further, the Memphis firm would be assigned the exclusive rights to manufacture and sell Rice Krispies; the San Leandro firm would be assigned exclusive rights to manufacture and sell Special K; and the Omaha firm would be assigned exclusive rights to manufacture and sell "comparable brands". The firm to be created from the assets of General Mills would be created from its South Chicago plant and would be assigned exclusive rights to the Wheaties brand. General Foods having only one cereal plant at the time, the trial brief indicated that "the details of plant divestiture from General Foods will be developed at the trial".

GRAIN MILLERS CASE AGAINST FTC

First we want to make one thing clear. We are not protesting the FTC's right to bring suit against the cereal companies under the Federal Trade Commission Act, or to pass judgment as to the guilt or innocence of the companies involved. This is properly a matter for the FTC and the Courts to decide. We are protesting:

1. FTC's involvement into an area where they have no jurisdiction; that is, the National Labor Relations Act.

2. FTC's complete disregard and lack of concern for the welfare of the thousands of employees who will lose their jobs if FTC is successful in obtaining the remedy sought in this case.

3. FTC's complete disregard and lack of concern for the welfare of the employees working at the five plants which the FTC wants to spin off into five new cereal companies.

4. FTC's refusal to allow the Grain Millers Union the right to intervene in this case in order to represent and protect the rights of our members who will be affected.

Let's be more specific.

1. FTC's involvement under the National Labor Relations Act.

What we are talking about here is the effect that FTC's position would have if they are successful in spinning off five of the existing plants and the creation of five new cereal companies. The plants affected which are represented by the Grain Millers are the San Leandro, California, Memphis, Tennessee and Omaha, Nebraska plants of Kelloggs, and the South Chicago, Illinois plant of General Mills. The Grain Millers is the recognized bargaining agent of each of these plants certified under the National Labor Relations Act. If FTC is successful and the new companies are created, these new companies would be under no obligation to rehire present employees, and it is quite conceivable that some or all of these new companies might decide to try to get by without a union. In the event that the company decided to hire less than 50 percent of the present employees, they would be under no obligation to recognize the Union as the bargaining agent.

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FOOD & BEVERAGE TRADES DEPARTMENT,
AFL–CIO,
ROBERT F. HARBRANT, *President.*
AMERICAN FEDERATION OF GRAIN MILLERS, AFL–CIO.●

GENERAL LEAVE

Mr. KEMP. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore (Mr. NATCHER). Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. KEMP. Mr. Speaker, I yield back the remainder of my time. I want to extend my appreciation to the gentleman from Oklahoma (Mr. EDWARDS) for graciously allowing me to precede him. He has performed a great service to the hard-working men and women of America.

NEED FOR MORE DOMESTIC ENERGY PRODUCTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. EDWARDS) is recognized for 60 minutes.

Mr. EDWARDS of Oklahoma. Mr. Speaker, this country needs desperately to pursue an aggressive energy policy that is designed not only to conserve our existing fuel supplies but also—and this is the important point—to increase domestic energy exploration and production.

We need more domestic production, Mr. Speaker—production of gas, oil, coal, nuclear power, solar power, geothermal power—and we need to remove the Federal barriers that restrict energy production.

We cannot continue to play political games, making scapegoats out of energy producers and using every kind of excuse to block the building of pipelines, refineries, and generating plants.

Perhaps the single greatest problem facing this country, in the long run, is neither inflation nor the military superiority of the Soviet Union, although both of those problems are reaching serious and frightening dimensions. The greatest problem is energy.

It seems that we have no shortage of crises these days—there is an economic crisis, there is a national security crisis, and affecting both of those, threatening both our economic stability and our ability to defend ourselves, is our increasing inability to assure an adequate energy supply.

The ramifications of our energy "crisis" are immense. We face the inability to provide the energy to operate our busi-

nesses and provide jobs; we face fuel shortages that can cripple not only private automobile travel but also commercial trucking and the operation of our farms; we find ourselves increasingly dependent on foreign sources of energy at a time when the United States and the Soviet Union are entering into a period of potentially serious confrontation all around the globe.

Mr. Speaker, can you imagine the consequences of a war in which the United States would have to depend on outside sources for the fuel for its tanks, airplanes, ships, and troop transports? What if the Saudi Arabian oil fields were no longer available to us—a possibility that grows more likely as the Soviets pursue their strategy to control access to the sea lanes around the Persian Gulf? What if the Iranian oil fields are lost to us—a real possibility as the Iranian Government continues to drift away from the American orbit?

We do need conservation. We need badly to learn how to conserve important energy resources. We need to regulate temperatures, drive wisely, and build buildings that are energy efficient. But we need more than that.

Conservation has been the cornerstone of what the President calls an "energy policy," but it is not an energy policy at all: It is only half an energy policy. The other half, and in the long run the more important half, is increased energy production, because no matter how carefully we conserve, eventually we will run out unless we produce more. It is like drinking water from a glass: No matter how slowly you sip it, eventually the glass will be empty unless you pour some more water into it. And we are not doing enough to pour more in—to increase our own domestic supplies of the energy we need for the future; in fact, the energy we need if there is going to be a future.

It has been more than 2 years since the President declared the moral equivalent of war against our Nation's energy problems. With much fanfare the House created a special, unprecedented, Energy Committee. I was a member of that committee. And the legislation it came up with—legislation I opposed, accomplished the following:

It created a new price ceiling on natural gas while extending Federal price regulations to intrastate natural gas;

It required conversion of some powerplants and industrial boilers from natural gas to oil; and

It established Federal regulations for energy conservation in public buildings and energy efficiency standards in certain industrial products and processes.

Let us see how this legislation has met the administrations' goal of reducing our dependency on foreign energy sources:

On May 5, 1978, this country's demand for petroleum was 17,789,000 barrels per day. A year later, on May 4, 1979, our demand was 17,506,000 barrels per day—a decline of 1.6 percent. But the domestic production of crude oil declined from 8,725,000 barrels per day to 8,693,000 per day—a decline of 1.4 percent. During the same time crude oil imports increased from 7,393,000 barrels per day to 7,832,000 barrels per day—an increase of 5.6 percent.

The administration's program failed because it refused to recognize one half of the basic principle of supply and demand—supply. The administration's proposals were directed toward curbing demand: van pooling, thermostat controls, appliance efficiency standards. The only token approach to increasing supplies of energy was in the proposal to increase the price producers can receive for natural gas. And this increase in price has produced a glut of natural gas. So much so that former Energy Secretary Schlesinger urged industry to switch from oil to natural gas as a solution to our oil import problem exactly the opposite message the administration gave industry 2 years ago.

The solution to our domestic oil shortages lies in increasing the return on oil producers' investments to provide them more incentive for domestic oil exploration and production. This is why we must decontrol oil prices and why that added income must be allowed to be used for increased production and not merely become a windfall profit to the Federal Treasury.

Most studies agree that oil and natural gas, now providing 75 percent of all of our energy, will still account for more than 60 percent in 1985 and 1990.

Imports now account for 46 percent of the oil we consume. The OPEC nations have raised their prices more than a third since last December. This overreliance on foreign oil slows our economic growth, builds up our trade deficit, and contributes to the decline in the value of the dollar. Short-term interruptions of supplies pose a threat to the security of our Nation.

Government allocation rules transformed the recent 5-percent Iranian shortfall into a 15-percent shortage at the pump in many areas of the Nation. A shortfall even more severe and long lasting would do serious damage to our national economy. Mr. Speaker, we simply cannot afford to remain at the mercy of unstable regimes in the Middle East.

Decontrol of domestic oil prices is the only answer to overreliance on foreign oil and apparently the President has begun to recognize that fact and has already removed some price regulations. By 1985, decontrol will give this Nation 1.5 million barrels per day of increased oil production and 600,000 barrels per day of reduced oil consumption. Immediate and total decontrol do even more to solve our energy problems.

Unfortunately, the administration would also wipe out the advantages of decontrol with a stiff severance tax although recent studies by the Chase Manhattan Bank show that oil companies now invest nearly $2 for every dollar in profits and that 95 percent of those investments are in energy. The money to be taken away from the oil companies by the proposed tax is money which they would invest nearly twice over in energy production.

Domestic resources are there to be found. Numerous studies agree that there is a great deal of both offshore and onshore oil to be found in the United States. The timing and amount of production will depend upon a number of factors: price, technology, access to new public and private leases, and our basic economic climate. All these studies indicate that our resource potential will not be exhausted for the next 30 to 50 years. The only limit will be the rate at which these supplies are found.

No one can guarantee an absolute number of barrels of new oil will be discovered for a set amount of investment in exploration and production. But production is directly related to exploration, and the amount of money available for investment in drilling activity is directly related to the return investors can get on their investment. When controls were lifted after World War II, the number of exploratory wells increased from 6,700 to 16,000 in 10 years. During the same period, development wells increased from 24,000 to nearly 41,000.

Yes, an increase in drilling activity will mean additional revenues for oil producers. But more than 50 percent of additional revenues could go to Federal and State Governments under the present tax system and existing royalty agreements. And the remainder is desperately needed for new exploration. Chase Manhattan Bank and the Department of Energy both estimate that oil producers need to spend between $20 billion and $26 billion a year through the early 1980's just to halt the continuing decline in domestic oil production.

But oil and gas are not the only fuels available to us. In fact, because those resources are limited, and because we cannot really count on plentiful supplies of those fuels beyond the next quarter century, we must also do what we can to develop our other potential energy sources as well.

The development of coal and nuclear power—our chief alternative energy sources—is being stifled by excessive and unreasonable environmental regulation.

I know there are many Members of the Congress who tend to see energy production and environmental protection as being goals that are necessarily opposed to each other. But we can have increased domestic energy production without reversing the progress this Nation has made over the past 10 years in protecting its environment. The real threat to energy production comes not from genuine environmental protection, but from excessive and unreasonable regulation.

The national energy plan called for a doubling of coal production by 1985, but coal production is increasing at a rate of only 2 percent per year. We are currently producing 713 million tons per year, 100 million tons less than we could be producing. Yet two sets of administrative regulations were recently adopted which will dramatically drive up the price of coal. These are the EPA's revised regulations for new coal-fired powerplants and the Office of Surface Mining's final regulations to implement the 1977 strip mining law.

Both sets of regulations impose huge costs upon energy producers and energy users—costs that are dictated more by political and bureaucratic factors than by genuine health and environmental needs.

On May 25, 1979, the Environmental Protection Agency issued new regulations on allowable emissions from new coal-

fired powerplants. As a result expensive sulphur removal devices called scrubbers will have to be installed on all 350 coal-fired powerplants expected to be constructed between now and 1990.

These new regulations may be the most expensive in the EPA's history. The EPA justifies the new regulations by claiming that they will reduce nationwide sulphur dioxide emissions by 15 percent in 1995—from 23.8 million tons without the regulations to 20.5 million tons of SO_2 with them. The cost per ton of SO_2 removal is around $1,100. But the Utility Air Regulatory Group has estimated the cost of removing SO_2 would be only $158 per ton by 1990 without the new regulations allowing utilities to meet emission standards themselves.

The EPA's regulations took the form they did because a coalition of western environmentalists and eastern politicians decided to curtail the environment and economic advantages of burning low sulphur coal. They did that by requiring the EPA to issue new regulations framed in terms of percentage reduction in addition to emission standards. The development of western coal could have proceeded in an orderly and balanced fashion without these regulations. The additional $40 billion which the Business Roundtable estimates we may pay for these regulations is primarily the cost of politics, not of health and environmental protection.

The new strip mining regulations issued March 13 have shockingly high costs. A Consolidation Coal study shows the regulations will cost an average of $3.2 billion per year over the next 11 years—for a total of $34 billion. Although the cost of compliance will vary by region, the overall $3.2 billion figure is roughly $4 per ton.

Consolidation Coal estimates that if the strip mining regulations allowed the coal industry greater flexibility, the industry could meet the stringent standards and mandates of the 1977 act at an average yearly cost of only $1.2 billion per year. The additional $2 billion is the cost of bureaucracy not environmental protection.

And what about nuclear power?

Environmental, health, and safety regulations have contributed to a tripling of the cost per kilowatt hour for nuclear energy in the past decade. Yet they did not prevent the accident at Three Mile Island.

The process of planning, siting, licensing, and constructing a nuclear reactor now takes 10 to 11 years. A month's delay in the construction phase of this process adds more than $10 million to its final cost. These costs could be reduced by early site approval and by increased efforts to promote standardization of design.

Streamlining the licensing process will enhance nuclear safety. As things now stand, NRC permit decisions are often made later in the process of constructing a reactor than they should be, creating pressure to ratify a fait accompli. Preapproval of sites and designs will reduce delay and allow the NRC greater ability to impose stringent safety requirements while speeding up the development of nuclear energy.

Mr. Speaker, clearly there is much that can be done to produce more energy in this country—from removing restrictions on the use of Federal lands to eliminating many of the Federal regulations that have made energy production both more difficult and more expensive.

Even in the fact of this great need for more energy, we continue to pursue policies that leave us more and more dependent on the whims and fortunes of foreign suppliers. We lock up millions of acres of Alaska to preserve its natural beauty, and then we lock up millions of acres more—acres with awesome potential oil and gas supplies.

This is not an energy policy—it is an antienergy policy. And we simply cannot afford it. Our entire national future depends on our commitment to stop playing political games and to get on with the business of producing the energy supplies we need for our businesses and schools and homes and hospitals and our national defense.

Mr. Speaker, we need a balanced policy of regulation, environmental protection and energy production. But the evidence is now overwhelming that Government regulation is a major cause of the energy crisis. We have to start on a new course.

Since the dawn of the industrial age, the United States has been one of the "have" nations—a nation that has had the resources to defend itself and to provide its citizens with the highest standard of living in the world. If we do not produce more energy, Mr. Speaker, we will become a "have-not" nation, with neither affluence nor security. We must not permit that to happen.

GENERAL LEAVE

Mr. EDWARDS of Oklahoma. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks.

The SPEAKER pro tempore. Is their objection to the request of the gentleman from Oklahoma (Mr. EDWARDS)?

There was no objection.

Mr. BAUMAN. Mr. Speaker, will the gentleman from Oklahoma yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Maryland.

Mr. BAUMAN. I want to commend the gentleman from Oklahoma for taking this time today to speak on this important matter. The country must take immediate action in this field of energy. I certainly want to say that the gentleman from Oklahoma (Mr. EDWARDS) deserves the praise and support of the people not only of Oklahoma but of the Nation for this work. The President's "moral equivalent of war" has turned into a head-long retreat back to the trenches of gloom, panic, and despair. Mr. Carter has succeeded only in putting forth many of the wrong answers to the problems of this Nation's energy requirements. He seeks to blame the American people and hold them responsible for these problems, while offering in return the naive homily that we should "say something good about America every day."

Mr. Carter, among others, says that the oil companies are greedy. He says that the price of decontrol of oil and gas is to be a confiscatory, so-called windfall profits tax, because he does not trust the producers of energy to invest that increased capital in more production. The President would rather use the money derived from this tax on a grandiose program for developing synthetic fuels. We must rightfully ask, therefore, who the greedy party really is. Just as the Government cannot deliver services, just as OSHA cannot reduce job injuries, just as HEW cannot provide good health care or teach Johnny to read and write, so too the Government will be unable to produce one new barrel of oil or cubic foot of natural gas, let alone save the Nation through synfuels.

The purpose of decontrol is to bring the market forces of price, supply, and demand into play as the best economic regulator of all. Yet the President is trying to work at cross-purposes with this goal by stealing the money which would be used to make it worthwhile to get on with the business of treating the ailment of energy supply, not merely the symptoms. Instead of allowing the free market to allocate goods and services, as the provider of the greatest good for the greatest number, he wants all the President's men and the Department of Energy zealots to call the shots.

Mr. Speaker, it would seem that Dr. Jimmy Carter is practicing bad economic medicine. He is busily trying to treat the symptoms rather than the disease. One symptom of an underlying problem is gasoline shortages. Yet the administration's answer is to go all-out attacking that symptom by seeking to impose massive rationing and enforced conservation. He seems to think that gas lines will just go away if we all leave our autos home 1 day a week or, failing that, if we cast our fate to the graces of the Department of Energy.

The shortages merely reflect the ailment of Government control and Government misallocation. So far as can be learned, nothing in the President's energy program is designed to eliminate the already existing power of the bureaucracy over gasoline and fuel oil distribution. Remember the brilliance of the Government energy men not so long ago when places such as Hawaii and the Virgin Islands were getting almost as much heating oil as some States in the Northeast? Or recently when the State of Hawaii received 120 percent of its allocation of gasoline while Maryland received 82 percent. Are the constituents of my distinguished colleagues from the Northeastern States prepared to place their well-being this winter into the hands of DOE? There will be an awful lot of explaining to do if people are cold in their homes this winter, and I submit that much of the fault will rest with this body if you continue to merely treat the symptoms instead of eradicating the disease.

Mr. Speaker, one of the most frightening aspects of the President's program is his insistence on the creation of the Energy Mobilization Board. First, we had the Federal Energy Administration, the Energy Resources Council, and all the rest. But there was too much red-tape and confusion with that setup, so lo and behold, the Department of Energy

was born, the ultimate answer to the Nation's energy problems, a marvelous, wondrous collection of talent and ideas. But something seems to have gone slightly awry—DOE is not working. That is, the disease has gotten worse. Now, says the President, we must have this newer, better bureaucracy, the Energy Mobilization Board, to cut the redtape of DOE and all the rest and get the Nation moving again. This is Carter's call for reinforcements as we continue to lose the "moral equivalent of war."

Mr. Speaker, the bungling, failures, and immoral waste of time and treasure has gone on long enough. Private industry, working against the heavy odds and stumbling blocks put before it by Government, has already demonstrated that solar energy, for example, is feasible. Instead of robbing this Nation of desperately needed investment capital by means of a crippling tax, let us instead give them sensible tax breaks to make it even more worthwhile to develop synfuels, produce more oil and gas, improve solar energy technology, make gasohol, or wood, or water power, or shale oil, or nuclear energy more available at less cost in the long run. It is totally unnecessary for this Government to act as some sort of middleman for the funneling of tax dollars with strings attached. Any government that carries coal to Newcastle or sells heating oil back to Iran cannot be depended upon to lead us out of a mess it has created.

I would like to call to the attention of my colleagues some of the excellent energy policy suggestions put forth by the American Conservative Union which I have the honor to chair. They treat the disease, not the symptoms. On the tax question, the ACU favors expansion of energy tax credits and the liberalization of the user tax, as well as incentives to encourage plowback by energy producers. It opposes the so-called energy trust fund and the "windfall profits tax." The ACU is calling for reform and streamlining of the Nuclear Regulatory Commission's licensing provisions and the stabilization and standardization of its overall regulations including increased safety. It favors the immediate decontrol of oil and natural gas right down the line, as well as all true incentives to increase private-sector research and development of alternative energy sources. ACU seeks to curb Federal meddling by easing the restrictions on strip mining, access to energy sources on Federal land, and by modifying overly stringent environmental and bureaucratic regulations. ACU favors conservation measures which all Americans will naturally support, but points out that conservation alone merely postpones for a little while the effects of the problem. It should be seen as a means of obtaining time in which to get busy on curing the energy disease and not as a special nostrum in itself.

Mr. Speaker, many of my colleagues, both here and in the other body, have addressed themselves in varying degree to the intelligent proposals advocated by the ACU and other citizens' groups by introducing appropriate legislation to accomplish those goals. I would urge my colleagues to stay away from the Carter panic express and allow cooler heads to prevail. In this way, we can put an end to this Nation's energy nonpolicy and begin to face up to what truly needs to be done if we are ever to be self-sufficient in energy.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Speaker, I want to commend the gentleman for taking this special order and for his leadership in this very vital field.

Mr. Speaker, we are today reviewing the urgency of our energy situation, and the pressing need to respond to these problems. I think we must all admit that the Federal Government's track record has been remiss—we have underachieved in an area requiring excellence. Too often, U.S. energy efficiency has been hampered by a web of Federal regulations which make virtually impossible true energy independence. Nor has Congress been blameless in this regard. We who make the laws are responsible for generating an implacable bureaucracy.

In addition, we have failed to exploit the domestic energy potential of this great Nation. For instance, estimates indicate that there are 100 billion barrels of heavy crude oil in the United States, most of which is now unrecoverable due to cost and environmental dangers. However, I, and a number of my California colleagues, were approached by a relatively small company in my district, which has developed a cost-effective technology to facilitate the development of heavy crude oil refining methods. The proposal provides an encouraging approach to manufacturing gasoline feedstock and other valuable products from thick, high-sulfur crude oil, without producing difficult-to-dispose-of wastes or environmentally dangerous sulfur emissions. This refinery in California has the capacity to convert 5,100 barrels a day of heavy crude oils and residual oils into precious natural gas and gasoline, while removing sulfur. All residual oil is eliminated in this environmentally valid process.

Unfortunately, the project was presented late in the DOE budget process and, although DOE has expressed strong interest in the concept, it simply does not have the funding authorization with which to proceed.

The President, as you know, has taken the first step by decontrolling heavy crude oil and proposing to exempt it from the windfall profits tax. This action will, if a proper density definition is arrived at, result in long-term incentives for heavy crude refining investment and production. But Congress needs to authorize further funding so that projects such as this, which are economically and environmentally appropriate, may proceed.

My colleagues and I were able to amend the DOE authorization bill to authorize $2,000,000 for heavy crude oil conversion technology, and earmark through floor colloquy, $2,000,000 of the Interior appropriations for this purpose. Although the project would require much more money to be feasible, we unfortunately learned of it too late to adequately familiarize the respective committees with the proposal. We have, however, written to the Senate urging that they provide further funding for the clean refining of heavy crude oil.

Mr. Speaker, at a time when we cannot afford to ignore any technology which may enhance our domestic energy supplies, I believe it is critical that we expedite those projects which are both cost-efficient and environmentally safe, by providing the funding necessary to implement their operation. Our job is to provide incentive and reinforcement for technologies which are feasible and environmentally sound.

Mr. Speaker, in line with my remarks, I would like to submit for the RECORD, the following article entitled, "Hidden Resource—Our Heavy Oil," which appeared in the September 9 issue of Parade magazine.

HIDDEN RESOURCE—OUR HEAVY OIL

(By Jonathan Braun)

The Western world possesses awesome amounts of a virtually untapped resource—heavy oil—that may be the most practical, near-term solution to the energy problem, according to a growing number of experts.

Heavy oil could make the United States "totally independent of the Middle East in 20 years," said former Deputy Energy Secretary John F. O'Leary on National Public Television recently.

"At the very minimum," says Dr. Joseph Barnea, an energy specialist and former director of natural resources at the United Nations, "heavy oil could sufficiently extend our petroleum reserves to enable us to develop our renewable energy resources—such as solar, wind and geothermal."

As the name implies, heavy oil is higher in density than the oil on which the world presently runs—conventional or light oil. It also contains more sulfur and other impurities than are normally found in light oil. Because of these traits, heavy oil is more expensive to produce (extract) and refine.

Until fairly recently, the prevailing view in both government and industry circles was that the problems associated with heavy oil make its exploitation unfeasible economically. This view has largely been reversed, thanks to the escalating price of light oil on the world market and the successful introduction of sophisticated heavy oil production and refining techniques.

In fact, heavy crude is already being profitably produced in California at roughly $6 a barrel. And a study prepared for the federal government by Exxon, the largest of the giant multinational oil companies, says that South American heavy crude could be produced and refined at a total cost to the company of about $9 per barrel—half of what the Organization of Petroleum Exporting Countries (OPEC) charges for its light crude.

But these numbers tell only part of the story. Much of the current interest in heavy oil can be attributed to the sheer magnitude of the resource and the fact that it is so widespread.

"Heavy oil is everywhere," says Dr. Barnea. "There are indications that large quantities can be found in over 60 countries—including, of course, the OPEC nations of the Middle East."

Barnea is in a good position to judge the world picture. As a senior fellow at the United Nations Institute for Training and Research (UNITAR), he recently organized the First International Conference on Heavy Crude and Tar Sands. Some 300 invited delegates represented 37 nations at the June conference held in Edmonton, capital of Alberta Province, Canada.

Sponsored by UNITAR, the United States Department of Energy (DOE) and the Al-

berta Oil Sands Technology and Research Administration, the meeting confirmed what Barnea and others have long suspected—that the Western Hemisphere probably contains most of the planet's heavy oil reserves. Stretching from Alaska to the tip of South America, a huge chain of deposits is reportedly ripe for large-scale commercial development.

Alberta's tar sand deposits, for instance, may hold as much as 967 billion barrels of heavy oil—far more than estimated total light oil reserves for the entire Persian Gulf region.

In Venezuela, a belt along the Orinoco River is widely assumed to contain 1 to 2 trillion barrels of heavy oil, approximately equal to the total amount of petroleum consumed by the world to date.

Closer to home, just two states combined—California and Utah—could be sitting atop enough heavy oil and tar sands to put them in potentially the same world class as Iran, which accounted for about 5 percent of this country's oil imports before the revolution against the Shah.

"It is hard to estimate total reserves for the United States," Barnea explains, "because there has never been a systematic search for heavy oil. Nearly all the heavy oil we know about in the U.S. was discovered by accident—in the course of exploring for light oil." Apparently, even the White House is confused over the extent to which heavy oil can ease the energy crunch.

"I am announcing new incentives for heavy oil," President Carter said in Kansas City, Mo., on July 15, "which this country has in great abundance." Specifically, Carter said he was removing the price controls which are generally regarded as having hampered production; he also propcsed that Congress exempt heavy oil from any tax on the so-called windfall profits that oil companies might enjoy as a result of decontrol.

But while the President's comments boosted the hopes of producers of heavy oil, documents made public by the White House put a damper on the notion that the resource was about to play a key role in the nation's effort to achieve energy independence.

In a bulky "fact sheet" disseminated to members of the Washington, D.C., press corps the morning after Carter's nationally televised energy address, the White House put U.S. havy oil reserves at a relatively paltry 10 billion barrels.

This estimate directly contradicted one contained in a barely noticed energy plan submitted by the White House to Congress on May 7. That one said U.S. heavy oil reserves could be as high as 100 billion barrels.

More puzzling than the White House's July estimate for reserves was its stated goal for U.S. heavy oil production: an increase of only 500,000 barrels a day by 1990. According to statistics recently compiled by the U.S. Geological Survey (USGS), domestic heavy oil output already stands at 1.25 million barrels a day, or 15 percent of total U.S. oil production. California alone accounts for at least half the daily heavy oil output.

The USGS estimate is based on production figures for 1976, the only year for which they are available. In a study prepared that year for the DOE, Lewin & Associates, a management consulting firm based in Washington, D.C., suggested that with better technology and the removal of price controls, bureaucratic red tape and other barriers, heavy crude in California, Texas and Louisiana alone could total 2 million barrels a day by 1985.

Why has the U.S. been so slow to recognize heavy oil's potential?

"There are two chief obstacles to development of the resource," Barnea explains, "and they are connected." Echoing the complaints of many oil industry executives, Barnea argues that federal price controls, coupled with strict enforcement of environmental protection laws, have virtually crippled many heavy oil projects.

"We've been hamstrung" says Edward H. Shuler, a Getty Oil vice president supervising the company's heavy crude operations in California. "The oil is in the ground. We know it's there. We have the technology to get at it—but we haven't been allowed to charge the price for the crude oil that would justify our spending money to get it out."

Even at the controlled price of around $6 a barrel, industry sources concede, their operations have still been somewhat profitable. "The problem," one executive contends, "is that the price has simply not justified the massive capital expenditure we have been asked to make to satisfy the government's environmental standards."

Politics has also stood in the way of heavy oil development. Unlike other forms of energy, this resource has no identifiable political constituency. Thus, while many members of Congress have enthusiastically embraced the notion of squeezing oil from shale or coal at projected costs of $25 to $40 a barrel, there has been strikingly little legislative enthusiasm for heavy oil produced at $5 to $7 a barrel.

This isn't the only country where heavy oil development has been hampered by a mix of politics and economics. Experts report that Venezuela, for instance, is not inclined to dip into its vast heavy crude reserves as long as it can make a greater profit exporting light oil, of which it is said to have a 15–20 year reserve.

The multinationals also seem determined to control, if not slow down, the pace of heavy oil development. Explains an executive whose company is involved in heavy oil exploration in Peru: "The rush is on for leasing rights to the big heavy oil deposits. But until the dust settles, the companies are naturally not too interested in telling you what they know."

Perhaps the most ambitious heavy oil project in Alberta belongs to Exxon's Canadian subsidiary, which has applied for permission to build a $4.9 billion heavy oil recovery plant at a site called Cold Lake. Rivaling this is a venture planned by a consortium led by Shell Oil. Its price tag: $4.3 billion.

So, despite the obstacles, heavy oil may be an idea whose time has come. Or is it? Knowledgeable observers stress that resource development is still mainly a function of profits. This means that oil companies are not likely to launch an all-out effort to tap heavy oil as long as they can make more money producing and refining light oil.

In the final analysis, the heavy oil story boils down to this: Nearly everyone involved—from the government of Venezuela to giant Exxon—is acting out of a narrowly defined sense of self-interest. But this is to be expected—"except for the fact," as one heavy oil devotee puts it, "that narrow self-interest and shortsightedness are what got us into the energy crunch in the first place."

Mr. EDWARDS of Oklahoma. Mr. Speaker, I want to thank my colleague from California for his contribution because, as one of the experts in the House on international affairs and also as a member for a long time of the Energy and Environment Subcommittee, the gentleman from California has done a great deal to work toward increased energy production in this country.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I wanted to praise Mr. EDWARDS for his diligent work and efforts on this subject. My colleagues today have been addressing our domestic energy production crisis. The title is apropos, because the crisis we face today in this country is not an energy crisis, but rather an energy production crisis. The identification of which crisis we face is imperative, the solutions almost diametrically different. If the crisis we face is an energy crisis, that is, if we are in fact running out of energy, the line of attack may be to adopt a no growth approach to our standard of living and make cutbacks in our everyday lives. If the crisis is production oriented, however, the attack is wholly different, for we must then produce the energy that for some reason has eluded us.

While the present direction of this Congress and this country appears to favor the first approach, that of no economic progress, I opt for the second, for a number of reasons. It can be substantiated that the no economic progress philosophy is based on so many myths, that the mere existence of the philosophy has become a danger to the essence of our system of free enterprise and private initiative. We have heard the myths for so long, we are beginning to believe them and are accepting a lower standard of living without putting up much resistance.

First and foremost, we are living with the myth that the world will run out of oil in the 1980's. The experts tell us, however, that known reserves will provide us with sufficient oil for 36 years, a confidence reserve that is higher than it has ever been. In the past, our known reserves have never exceeded 30 years.

The solution, as I see it, is to produce. We know of enormous oil shale deposits in Utah, Colorado, and Wyoming. Those estimates are 1.87 trillion—that is trillion—barrels, enough to supply this Nation for 100 years. The estimates of oil in the Canadian Athabasca, Missouri, Kansas, and Oklahoma tar sands are equally staggering.

And then there's Alaska, which currently supplies 14–15 percent of the U.S. production of oil through the trans-Alaska pipeline. Known oil reserves in that State exceed 30 billion barrels of onshore oil and 50 tons/cubic foot of natural gas in addition to the 10 billion barrels of oil currently under production of Prudhoe Bay. In addition, the Arctic National Wildlife Range (ANWR), with a geology similar to Prudhoe Bay, could make a significant contribution to the domestic oil and gas supply with possible reserves of 14 billion barrels of oil and 25 tons/cubic foot of natural gas. The ANWR is only 75 miles from the existing Alaska pipeline. We already know from that project that tapping such reserves does not have negative environmental repercussions, and we know that tapping the ANWR would assist the pipeline to operate at full capacity of 2 million barrels per day. Furthermore, the ANWR, which is only 5 percent of onshore acreage rated as highly favorable for oil and gas, may hold up to 80 percent of Alaska's onshore oil and gas reserves. Thus, to use ANWR as an example, despite its geologic, environmental, and economic attractiveness, Congress in keeping with its efforts to bungle our

country's energy policy, has closed it off to development. The question Congress fails to ask is how many miles to the wilderness acre can you get in your car?

The myth that we will have no more oil by 1990 must be cast off before we really face a crisis, because its perpetuations has instigated one of the most irrational and confusing philosophies that has ever come from the U.S. Congress. Historians will ask how Congress could lift the price ceilings from natural gas (without a windfall profits tax), watch domestic production of natural gas burgeon to surplus stage, and then refuse to follow the same logical course for domestic oil. Historians will see a Congress that allowed coal price ceilings to expire in 1974 (without a windfall profits tax), watched a coal surplus develop, and then refused to follow the same logical course for domestic oil.

Finally, historians will review the oil reserve estimates available to Congress and wonder how they possibly could come to the conclusion to lock up 60-million acres of Alaska land into refuges, parks, and wilderness areas under the Udall-Anderson bill. They will call this Congress the "Ostrich Congress," that saw the crisis in energy production, and then seemingly followed every path conceivable to dampen that domestic production of energy. The same historians will look no more favorably upon this administration which has had the same oil reserve statistics and yet has supported the Udall-Anderson bill and unilaterally withdrawn 40-million acres of land under the Federal Land Policy and Management Act and Antiquities Act from any form of oil and gas leasing.

We also live with the myth that oil imports cause the severe international payment imbalances, and as such are responsible for the decline of the dollar and the rise in inflation. If this myth is true, then Germany and Japan which produce no domestic oil and natural gas should most certainly be in worse shape than the United States which produces over half of its oil needs and all but a fraction of its natural gas needs. Indeed the myth is an excuse for the real cause of the payment imbalance and decline of the dollar which is expansion of the Federal bureaucracy and unharnessed Federal spending deficits, and lack of productivity efficiency as a result of Government intervention.

Another myth is that we are critically vulnerable to an OPEC oil embargo, yet we need only look at the example of the 1974 oil embargo to dispel this notion. The problem we faced then was not one of an oil shortage, in fact, our reserves of gasoline, crude oil, and other petroleum products kept increasing throughout the embargo. The problem could be traced to the Federal Energy Office, which allocated gasoline and dictated the product mix to the oil refiners. The point I am making here, is that in spite of the Federal Energy Office, the oil companies imported oil from other sources and indirectly from the very OPEC nations that were embargoing us. Thus to dispel the myth, throughout this so-called alarming embargo, our oil supplies remained at more than adequate levels. The primary concern we must face in terms of embargo is one of strategic embargo. This threat will come about when the Soviet Union realizes we are sufficiently inferior militarily and either diplomatically establishes a more substantive oil cartel than has existed before, or strategically closes the sea lanes at several of the aquatic choke points of the world.

The final myth is economic. In the interests of consumerism, Congress has, for many years, harbored the myth that we can control prices of products without a commensurate effect on productivity. My earlier examples of natural gas and coal price deregulation are good cases in point of the fallacy of this philosophy.

This Congress must come to realize that productivity is a function of price. With the increase of the price of heating fuels, for example, automatic damper controls, a luxury previously unaffordable and uneconomical, suddenly became cost effective. The investment in the damper controls, had become an investment that paid for itself. That is why the result of a rise in the price of energy has been more efficient motors, equipment, generators, water heaters, and so forth. Research and development in new fields of production therefore, is a function of the price of existing production. We are all searching for alternative energy sources, and certainly, many Congressmen are clamoring to get the Federal Government into that research and development. But history has shown what American ingenuity can do if prompted. The experts tell me that for every Federal Government dollar spent on research and development, the same dollar in the private sector would have accomplished up to 100 times as much.

So the bottom line is to let the American producer steer us out of this energy production crisis. The Congress of the United States can only do so by no longer tying the hands of that producer behind his back. Let us free the market, defeat the windfall profit tax or at least have a plowback provision, seriously consider the resource potential of public land before we lock it up into wilderness, and let Americans produce the energy, unencumbered by Federal bureaucracy, that this country needs to maintain the standard of living that is envied throughout the world. The private sector in its allocation of resources, more efficient in research and development, more productive in exploration, and extraction of fuel, and more successful in the development of alternative energy sources. We in Congress could profit by letting private enterprise pull us out of this antiproduction grave we have dug for ourselves.

Mr. EDWARDS of Oklahoma. I would say to the gentleman that in his service as the ranking member of the Energy and Environment Subcommittee he has done as much as any Member of the House in trying to increase energy production.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the distinguished gentleman from Oklahoma (Mr. EDWARDS) is to be congratulated on organizing this special order on energy today. No subject is more critical to this Nation's future and, given all the political wallpapering that has been applied to the issue, it is vital that the American people begin separating the wheat from the chaff.

Contrary to what some would have us believe, energy shortages are not inevitable nor, as others claim, are they somehow desirable. Those putting forth the theory that "less is best" and "conservation is the answer" would deny others, perhaps not so well off economically as they, the chance for the upward mobility a growing economy is likely to bring. For without new sources of energy over both the short and long term, the economy will stagnate, unemployment will increase, prices will rise and, rather than improving their financial standing, a lot of folks, especially lower-income folks, will be locked in by the system. Or, to put it another way, the concept of America as the land of opportunity is, either intentionally or unintentionally, in danger of being extinguished by the reality of Government mandated energy shortages.

The real irony of the situation is not only can short, as well as long, term energy shortages be alleviated through production incentives but the cost of so doing is far cheaper than the Government owned and operated synfuels approach, and somewhat less expensive than the conservation/solar energy approach. According to the Heritage Foundation, the combination of immediate decontrol of oil, natural gas, and gasoline products in combination with tax incentives for synthetic fuel plants would cost about $40 billion as opposed to $58.4 billion for the conservation/solar approach offered by the Presidential candidate-in-waiting from Massachusetts and $141 billion for the Government-controlled synfuels approach advocated by President Carter.

Looking at the short- and long-term energy production potential of the aforementioned alternative approaches, it becomes even more apparent that a private sector, as opposed to a public sector development or a conservation, approach makes the most sense. Most everyone agrees that it will be a long time before President Carter's program will bring about significant increases in energy supplies and, according to the Heritage Foundation, by 1990, the net energy supply gain will only amount to approximately 8.5 million barrels per day (mbd). With the Kennedy proposal, the net energy gain, resulting mainly from conservation measures would come to only 4–4.5 mbd, but with the combination of full decontrol of oil, gas, and natural gas, coupled with tax incentives for synthetic fuels, from 6.7 mbd to 7 mbd, could be added to energy supplies by 1980 and 11 mbd by 1990. That is 2.5 mbd more than the President's plan at less than one-third the cost and it doesn't involve ever-increasing Federal involvement in our daily lives.

Breaking these figures down a bit, the Heritage Foundation study suggests that immediate decontrol of crude oil

should increase supplies 150,000 barrels a day within 6 months, 250,000 barrels a day in 12 to 18 months, 2.5 million barrels per day by 1985 and twice that last figure by 1990. Decontroling natural gas immediately, instead of by 1985, will save 1.3 to 1.95 mbd by the end of 1980, and 2.8 mbd by 1985. Beyond that, decontroling gasoline products will result in another 1.4 to 1.7 mbd worth of additions to the energy supply by 1985, since it would encourage the development of fuel efficient vehicles. And finally, tax incentives for synfuels plants would add 1 mbd in new production by 1990, without a massive Federal program being required to get the job done. In short, we do not have to suffer from energy shortages; what we have to do is give the very same private sector that gave us such abundant supplies of cheap energy in the past a reason to do so again in the future. Government regulation would not solve the problem; as recent experience has attested, it will only make it worse.

All this takes on added significance in light of recent reports that we may bump into the oil import ceiling the President announced last July in 1980, not 1981, or 1982, as most expected. Lifting the ceiling would not ease the crunch and renewing controls will simply reduce domestic production even further in the 1980's and make the shortfall even worse. Logically, then, we should look in the other direction for an answer and from the evidence just presented, and more like it, that answer is immediate decontrol of oil, gas, and natural gas.

Mr. Speaker, in an effort to provide my colleagues with an opportunity to vote for such a program, I have introduced a bill, H.R. 4693, that would, within 30 calendar days of the month of enactment, end all controls over crude oil, gasoline products and natural gas. It will not bring back the days of 30 cents a gallon gas—those days are gone forever—but it will ease the shortages that price controls and allocations have produced, and it will enable us to smoothly transition into a new era of alternative energy supplies. Such smooth transition promises the best hope for economic growth and prosperity and offers the best chance for the economic opportunity so many Americans aspire to. After all, America runs on energy, not gasoline rationing coupons, and demand for energy will continue to grow as population does. There is no way around that, and the quicker we accept that fact, and stop trying to play politics with it, the better for all concerned. Immediate decontrol is, by far, the most productive and reasonable response to our energy dilemma and the longer we put it off, the more problems we create and the higher we drive the price of solving them. The time for decontrol is now, not just for heavy oil, but for all oil, gas, and natural gas, and I hope this Congress will move speedily in that direction.

Mr. EDWARDS of Oklahoma. I thank the gentleman from California. As a freshman Member the gentleman has done an outstanding job in this Congress. I appreciate the gentleman's contribution.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from New York who has established a record in this Congress as perhaps the leading advocate of the need for more jobs in America and for creating the kind of an economy that will produce those jobs.

Mr. KEMP. Mr. Speaker, I thank my friend from Oklahoma.

Mr. Speaker, I want to rise briefly and commend the gentleman from Oklahoma for his leadership not only today but in previous sessions of the Congress. The gentleman's voting record is impeccable. The gentleman understands that incentive is the way to encourage higher levels of growth in production.

If there is one area of our economy today where we need more production, it is in the field of energy. We need production not only domestically but within our hemisphere, within the continent, and throughout the world.

Mr. Speaker, I have been encouraged recently—now, I know that is a bad word, to be encouraged about the supplies of energy—but I think it is extremely important that we bring to the attention of the American people the fact that we have not run out of energy, that we are not going to run out of it next week, and that one of the biggest frauds ever perpetrated upon the American people is the suggestion that, within a few short years, the whole fossil fuel age will come to an end and we are going to have to ration the shortage, turn up our thermostats in the summer, turn them down in the winter, and throw people out in the snow, ration automobile gasoline, and succumb to all the Malthusian predictions made over 200 years ago by Thomas Malthus who suggested, that within a period of time, resources would be outrun by population and the only hope for Western civilization was rationing and redistribution of the wealth.

Mr. Speaker, I want to commend the President and say to my friend from Oklahoma, the President is to be commended for decontrolling the price of heavy crude oil. The projections about heavy crude oil being converted into lighter crude are unbelievably staggering not only throughout the hemisphere and on the continent but within California and other heavy oil States.

In the Beaufort Sea region of Arctic Canada, the Dome Petroleum Co., of Canada recently projected there may be a field in that area as big as that of Kuwait.

□ 1810

Mexico has revised its projections in terms of crude oil from 5 billion barrels of proven reserves to 50 billion within 3 years.

Now, I am not standing up to simply say there is a panacea or that if we decontrol all of this will come onstream immediately. But I want the American people to know, as I have told my people in Buffalo, N.Y., we are a consuming State, a consuming region. We depend on Oklahoma and Texas and Louisiana, and oil and natural gas-producing States, as well as on Mexico and Canada and other places throughout the world, including the Arab States.

I want to stand up here and say that I believe that it is in the interest of the consumers, particularly those hardworking people that I represent in Buffalo, N.Y., to have a world trade economy, and that we do not engage in this hair shirt economic philosophy that suggests that the only answer is to slow down the growth of our economy, reduce our living standards, tell the American people that next Wednesday it is all over and that somehow rationing and redistribution of wealth is the only answer. This is the thing that the gentleman from Oklahoma, I am sure, believes in and I think that the gentleman's standing up in the well of the House today and bringing to the attention of the American people some of these facts and some of the hope that is inherent in his statement is so vital to the future of the economy. Frankly, I think in 1980, the No. 1 issue in the political campaigns in America is going to be whether we can produce our way out of shortages of energy.

I will tell you frankly what I told the people of Buffalo, and I have taken some criticism for it, but I believe it. There is fundamentally no shortage of energy on this Earth or in this hemisphere. Now, there is a surplus of controls and regulations of bureaucracy and redtape and taxes and frustration, but there is no fundamental shortage of energy as long as the sun is shining, as long as the Earth has tars, sand, stone, shale, heavy oil, light crude, natural gas, methane, geopressurized gas, and other sources.

Dr. Vincent McKelvey, the former Director of the U.S. Geological Survey estimated last year that there may be 60 to 80 trillion cubic feet of gas available from the gulf region. At the low end of the estimate, according to Dr. McKelvey, this represents about 10 times the energy value of all oil, gas, and coal reserves of the United States.

Unfortunately, Dr. McKelvey's candor cost him his job.

We must not give up. As long as people are frustrated in terms of finding and exploring and wildcatting and engaging in the type of entrepreneurial activity that develops these resources, then, of course, we are going to have artificially induced shortages. But as the gentleman from Idaho pointed out and the gentleman from Oklahoma and my friend, the gentleman from Texas, and others from producing States, it is in the consumers' interest to encourage production. So on behalf of the poor, lonely, hardworking consumers of the Northeast, who desperately need natural gas and sources of energy supplies, I want to thank the gentleman. The gentleman is speaking not only on behalf of the people of Oklahoma, he is speaking out on behalf of the people of Buffalo.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his contribution.

I yield gladly to my friend from Houston, who is such a valued Member of this Congress and I am glad to have him back with us.

Mr. PAUL. Mr. Speaker, I thank the gentleman very much for yielding.

I would like to compliment the gentleman for bringing this very important subject to our attention.

As you know, recently we went through a rather drastic shortage and unbelievable as it may be, this shortage was overwhelming in the city of Houston; Houston, the oil capital of the world had longer lines than almost any other city.

In the true economic shortage, the shortage occurs at the end of the supply line, not at the beginning. This demonstrates to me that shortage came about only through Government action and not because of a true shortage. It was dissipated rather quickly as soon as the price rose; therefore, explaining that the market can adjust and can take care of these problems.

There is an economic law that says that if you set prices, you distort the market; if you set the price higher than the market, you have an overabundance of that particular item. If you set the price lower than the market, you will have shortages and you will be forced to ration. We have seen that. We have now had to go to that point where there is a greater demand, there is not enough supply at that particular price. There has been more price control set in energy than in any other field. There has been more regulations and there have been more problems. The most critical area of our economy has had the most controls and, therefore, we have had the most problems. It seems like we are almost doing it purposedly on ourselves to do damage to our economy. It is most important that we take these things into consideration, remove the controls, deregulate and allow the marketplace to take care of this, because I, too, believe that there is an abundance of energy and there will be.

Mr. Speaker, we are at a crisis in our Nation's history, and the decisions Congress makes during the next 2 years will determine our fate for decades, perhaps centuries, to come. The crisis is not really an energy crisis at all. We have an extraordinary abundance of natural fuel resources in this country, enough to last us for at least the next 1,000 years. The crisis is not in our fuel supply, but in our political system, and the problems in our fuel industry are a symptom of that crisis.

For the past 10 years and more this Congress has passed laws, created bureaucracies, and condoned regulations that have tied our magnificent fuel production and distribution system in knots. The supply shortages we face today, our dependence upon imports, and the high price of fuels are all the result of the irrational and unconstitutional actions taken by this Congress. One need only list some of the more foolish actions for it to become obvious that Congress, not the oil companies and not OPEC, is to blame for the suffering of the American people.

In 1969 Congress passed the Coal Mines Health and Safety Act. Within 3 years one-third of the mines in the great coal State of West Virginia had closed, and productivity in the rest of the Nation's mines had declined by almost 50 percent. That same year the Congress passed the National Environmental Policy Act, the act that was used by the environmentalists to stop work on the Alaska pipeline for 4 years. The delay caused by this act increased the cost of the pipeline tenfold.

The following year, Congress passed the Clean Air Act, and we have suffered ever since through the millions of regulations it has spawned. I mention only one here: the requirement for powerplants that burn coal to install scrubbers. In many cases, the cost of those scrubbers totaled nearly one-third the cost of the entire plant, and the consumers of electricity still feel the economic impact of that action.

In 1973 Congress passed the Emergency Petroleum Allocation Act and created the gas lines of 1973–74, in addition to those of 1979. The system, if one can use the word loosely, that this act established, has wreaked havoc in our petroleum industry. There is no free market in the oil industry today. Companies produce what they are told to produce, sell it to whom they are told to sell it, and get the price they are allowed to get for their products. This is not freedom, it is interventionism at its worst, and Congress created it.

One might also mention the Strip Mining Act of 1977, the Natural Gas Policy Act of 1978, the National Energy Conservation Policy Act of 1978, the Energy Policy and Conservation Act of 1975, the Powerplant and Industrial Fuel Use Act of 1978, and the Economic Stabilization Act of 1970. All of these acts and more have created the crisis we face today. Until they are substantially repealed and a free market restored to our fuel industry, the problems will continue and worsen. That is why I have introduced H.R. 4639, the Energy Abundance Act of 1979. If that bill were passed by this Congress, we would see the greatest production of fuel that the world has ever known. Not because the Federal Government would be subsidizing fuel producers, but because the Government would not be subsidizing them, nor regulating them, nor taxing them. H.R. 4639 would create a genuinely free market in energy as far as the Federal Government is concerned, and the results would be astounding.

Unfortunately this approach to a solution of our fuel problems is not even being considered by the administration or the leadership of Congress. Earlier this summer the House passed the Defense Production Act with amendments containing tens of billions of dollars to establish from scratch a domestic synthetic fuels industry. I called the bill the corporation welfare rights act of 1979, and so it is. Fortunately for the American people, the Senate has sat on the bill for a couple of months now.

Meanwhile the administration has proposed spending $142 billion on developing such an industry. A tax increase of this sort is exactly what the American people do not need. It appears to me that the present leadership has a proclivity for doing precisely the wrong thing, just as Herbert Hoover did after the stock market crash of 1929. Hoover raised taxes and proceeded to destroy the American economy.

Today we not only have exorbitant social security taxes, Federal income taxes, and Federal corporation taxes, we are asked to enact a confiscatory profits tax on those very industries who provide us with the fuel we do have and which are our only hope to provide us with the fuel that we need.

One wonders with very good reason, what the people who propose higher taxes are thinking of. One wonders, with very good reason, what the people who propose more regulation and Government involvement are thinking of. One wonders, with very good reason, what the people who propose $100 billion subsidies to certain businesses are thinking of. It is these very policies of high taxes, big government, and redistribution of property that have caused the problems that need a solution. Deregulation, detaxation, and desubsidization are the only methods that will insure a bright future for America. Our energy problems will not be solved until our political mistakes have been corrected. To assume otherwise is to be blind to the crisis facing this country and the West.

Further persistence in those actions that have brought us to the brink of destruction will quickly push us over the brink. If this country is to be destroyed, it will be destroyed by this Congress. OPEC has no power except what this Congress gives it. I urge my colleagues to vote consistently for lower taxes, fewer regulations, abolition of bureaucracies, termination of subsidies, and more freedom. I ask their support for H.R. 4369, the Energy Abundance Act of 1979, for the principles it embodies are the principles which will end our political and fuel crisis.

Mr. EDWARDS of Oklahoma. Mr. Speaker, let me add to what the gentleman has said. It is true that there is an abundance of energy potential, as the gentleman from Texas says and as the gentleman from New York before him pointed out. The problem is that we also have an abundance of bureaucracy and that is what is preventing the development of this energy potential.

Mr. Speaker, I would be happy to yield to my colleague, the gentleman from Oklahoma, the youngest member of the Oklahoma delegation, who is doing a very good job for us in this Congress (Mr. SYNAR).

Mr. SYNAR. Mr. Speaker, I am pleased to have this opportunity to address the important issue of increased domestic energy production in our Nation. Mr. Speaker, the people of the country are angry about the energy situation we are facing. They are angry over skyrocketing energy costs, they are angry over unstable energy supplies, and more importantly, they are angry that their own Government can not assure them of a reasonably priced, adequate supply of the energy they need to live. I, for one,

think the public's anger is justified. The Congress itself must share the blame for our present energy problems. As the people's representatives we have a responsibility to address the issues and provide our Nation with solutions.

One fact remains indisputably clear: This Nation simply must reduce its dependence on foreign petroleum sources. It has become very clear that we can no longer afford to stand idly by while the OPEC nations dictate the energy policies of our country. To make these reductions will require massive increases in production of our domestic energy resources. It will mean changes in our regulations and changes in our policy goals. It will mean adjustments by industry as well as the private sector. Importantly, too, it will require strong conservation efforts on the part of all Americans.

We are here today to talk about increasing our domestic energy production. First, though, I want to make a point about the way we use what energy we have. The fact is, Mr. Speaker, Americans are the most wasteful society on Earth. Although the United States has only 6 percent of the world's population, we consume almost one-third of the world's energy each year. The public must realize that the Federal Government can not legislate or regulate this Nation out of an energy crisis. Americans have been spoiled for decades by cheap and plentiful energy. Those days are gone. It is estimated that with strong conservation measures this country could save about 30 percent of the energy we use. No matter what efforts we make to increase domestic energy production, it will have little real or lasting impact if we do not begin right now to conserve what we have.

If this challenge requires some sacrifice or adjustment by each and every one of us, then I believe it will have been worth it if we can begin to move this Nation toward energy independence.

With that thought in mind, I want to address the issue of increasing our Nation's domestic energy production. Perhaps the most important aspect of this entire issue is that efforts to increase our production of domestic resources will require effective, coherent, and forceful action on the part of the Congress and the administration. Some difficult decisions lie ahead for this Nation. There are no longer any simple problems or simple answers. The problems we are facing with rising prices and diminished supplies are not about to go away overnight. The Congress and the administration can not solve them by tomorrow or next week or next month. But what we can and must do is begin right now to look at where we have been and decide where we want this Nation to go on energy policy. We must develop a comprehensive energy policy for our country which encourages—rather than stifles—domestic production.

Mr. Speaker, this Nation has an abundance of energy resources at our disposal. Petroleum, natural gas, and coal have been produced and used longer than any of us can remember. Others, just now becoming economically or technologically feasible, will have to be given the attention they deserve if we intend to move this Nation toward energy independence. I would first like to talk for a few minutes about those resources on which we continue to rely so heavily and which we must begin to produce in much larger quantities.

Although estimates vary on exactly how much domestic petroleum the United States has, there certainly is no doubt that this Nation has enough petroleum to meet domestic demands for a good many years to come. The fact is, however, that the Federal Government has not done much lately to give the energy industry incentives to go after that petroleum. As a result, we are now at a point in our history where we import from foreign sources almost half the petroleum we use each day. It is critical to each and every one of us that we act now to reduce our imports of oil.

It appears to me that there are three possible ways to accomplish this goal, but I believe it is imperative that all three be carried out in conjunction. First, we must provide the incentives necessary to stimulate vast increases in domestic production—not just of petroleum, but also of natural gas and coal. Second, we must explore and encourage the production and use of energy sources other than petroleum—solar, synthetics, biomass, hydropower, geothermal power, and many others. Third, and perhaps most importantly, we must begin to conserve what we have.

Mr. Speaker, when the House in June considered the so-called windfall profits tax proposal, I supported the Jones-Moore substitute bill over the Ways and Means Committee proposal. I supported Jones-Moore for a very important reason: As compared with the Ways and Means Committee bill, the Jones-Moore proposal comes much closer to providing the incentives necessary for industry to produce more domestic oil. I am convinced that the people of this Nation want more oil—and a steady supply of it at a reasonable price—not more taxes. Fortunately for every citizen of this Nation, the Jones-Moore proposal passed the House instead of the more restrictive Ways and Means Committee bill.

Let us be reasonably sure of one thing: If this Congress passes a windfall profits tax proposal that discourages production rather than encourages production, every person in this Nation will feel the impact of that action.

A windfall profits tax proposal is not the only institutional barrier to increased domestic production. Our domestic refinery capacity is vastly less than what it should be, and this situation must be corrected if we are to increase our domestic production at a rapid pace.

There are many reasons why domestic oil production in our Nation has been stifled, and I will not take up my colleagues time addressing each and every one of them. But let me say that one of the critical reasons is the lack of any comprehensive energy policy in this country. Despite passage of the National Energy Act, despite passage by the Congress of an array of energy-related bills, this Nation still does not know where it is going with respect to energy development, production, or use. I believe this is the critical energy issue now facing us as legislators, as consumers, and as citizens.

If we do not know where we are headed on energy, we are destined to make false starts. And until we figure out which direction the United States is going to take on energy and devise a comprehensive energy policy to get us there, we can not move forward as rapidly as necessary. We will continue, as we have in the past, to simply move in circles, continuously changing policies and regulations. I hope every single one of us here today is ready and willing to make the hard choices necessary—even if they are unpopular—to get this Nation producing the energy it must have to meet its own demands.

The President in April of this year called for a 60-day coal study to be conducted by the Departments of Energy and Interior and the Environmental Protection Agency. After 60 days, those three agencies still could not come to a consensus on how best to move on policies to encourage vastly increased production of coal. As a member of the Congressional Coal Group, I am particularly disturbed over this matter. I have been actively involved in the area of coal production, and I am committed to seeing that we increase our production and use of it. As each one of us knows, although coal production in our Nation has continued to climb, it has climbed over the past few years at an alarmingly slow pace. Massive layoffs of coal miners have taken place in some States. The industry is depressed in my State of Oklahoma.

The United States is estimated to have coal reserves of about 1.7 trillion tons. The President has called for increased production and use of coal to help meet our Nation's energy demands for the future. Despite that initiative—and one which I totally support—little is being done to encourage any real increase in coal production.

I will be working closely with the Task Force on Coal, established under the auspices of the Regulatory Council, to look at the various Federal and State regulations and policies affecting the industry. If these regulations need to be modified or repealed, or if they are simply ineffective, overburdensome, or contradictory, we must clarify or eliminate them. The Federal Government must provide the proper incentives to the coal producers of this Nation; we must get that industry on its feet. Unless and until we do, it is foolish to hope for vast increases in coal production to help meet the demands of our Nation.

The same problems that afflict the oil and coal industries also afflict our natural gas suppliers and users: Burdensome, sometimes contradictory, sometimes needless regulations and guidelines; a complex pricing system that few people understand; a lack of real incentives for increased production and use. There have been proposals to deregulate natural gas prices. As with all issues as complicated as the natural gas pricing system, there are pros and cons on both

sides of the question. But, again, until we decide which direction we are going in and what price we are willing to pay to get there, the issue cannot satisfactorily be resolved.

With respect to nuclear energy, the questions and the issues are just as complex. Since the accident at Three Mile Island, nuclear energy and the benefits and dangers have been very much on people's minds. Nuclear energy may in fact play a potentially important role in our energy future. However, the questions surrounding nuclear energy must be answered to the public's satisfaction. In my own view, there are three issues which need to be resolved before this Nation makes a dramatic commitment to vastly increased nuclear energy. First, the questions with respect to the public's health and safety must be adequately dealt with. Second, the economic effects on a community surrounding a nuclear facility—whether positive or adverse—must be addressed. Third, and most critically, the very real dangers connected with the disposal of radioactive waste materials must be resolved in a reasonable and rational way, which is both economically feasible and provides protection to the public.

Mr. Speaker, as long as we are discussing increased domestic energy production, I would like to make a few remarks with respect to the potential for synthetic fuels. In June of this year, the House of Representatives overwhelmingly passed the Defense Production Act amendments to provide for the production of synthetic fuels. I opposed the legislation. The President in his recent energy message to the Nation called for an $88 billion synthetic fuels program to be financed by the windfall profits tax and coordinated by a Federal Energy Corporation. The President hopes to replace 2.5 million barrels of imported oil per day by 1990 with synthetic fuels. I have serious concerns over the President's proposal as well. I believe that development of the many alternative energy sources presently available should be pursued, and is, in fact, imperative. Within this category falls synthetic fuels. However, in our rush to find "solutions" to the present energy problem, I am very much concerned that the Congress and the administration are losing sight of the fact that there are no more easy answers.

Incredibly complex, massive programs such as the one proposed by the President to develop synthetic fuels—and it is only one of many—must not be taken lightly. They deserve full and thorough consideration and debate by the Congress and the administration. I am concerned that this Nation is about to embark on a massive, untried, and unproven program of synthetic fuel development which may be ill-conceived and unfeasible. There are enormously important questions involved in this issue which I do not feel have been given the attention they deserve. In our haste to find solutions to this Nation's energy problems we must be careful not to jump full force into an area in which we simply do not have the answers—or even, it sometimes seems, know all the questions. We must proceed quickly—but rationally and in a fashion consistent with clearly spelled-out, long-term goals.

Along with the conventional energy sources in our country, there are other energy sources which must also be given attention. Alternative sources such as solar energy, hydroelectric power, and many, many others must be developed. Even given vastly increased domestic production and use of the sources already discussed, we must very soon turn our attention to those renewable resources which will carry our Nation into the 21st century. The time to get these alternative energy sources moving is not next year, or the next decade—the time is now.

Although this debate is focused on domestic energy production, there is one other issue, Mr. Speaker, as I have previously stated, to which we should address ourselves: conservation. I have long advocated strong conservation measures for our Nation as a way of reducing our foreign oil imports. Every barrel of oil we save is a barrel we do not have to import or produce domestically. Most experts agree that any near-term solution to our energy crisis must depend heavily on extensive conservation programs. Although the Department of Energy's recent conservation programs are generally directed toward public assistance with conservation measures, it is discouraging to me that so little is still being done to conserve when the potential energy saving is so great.

Unfortunately, with all the discussion of windfall profits, synthetic fuels production and fast track legislation, we seem to have lost sight of the tremendous advantages of conservation. Conservation continues to be a largely untapped source of domestic energy. It is the only alternative I see which requires no massive expenditures of public or private funds, no technological breakthroughs, and, perhaps most importantly, is immediately available to all of us.

The backbone of this Nation's energy policy must be public participation in a strong conservation program. I believe this country can cut back dramatically on its energy consumption—for a very small cost—without jeopardizing our lifestyles. But the only way we can make these dramatic cuts is if every American participates. Conservation is the only energy program I know which allows every single one of us to have a real and lasting impact on our energy future.

In summary, Mr. Speaker, I want to reemphasize a few points. I intend to work hard during the coming months to try and help this Congress and this administration develop a comprehensive energy policy which will move this Nation toward energy independence. It is critical that every citizen of these United States be assured of an adequate, reasonably priced supply of energy for our future. It should be very clear to each of us here today that we can no longer afford to move ahead in a haphazard way on energy matters. Hard decisions will have to be made. There will have to be some tradeoffs. But there will have to be a policy—a goal that each of us can work for, knowing that once we are there this Nation will no longer have to cope with the whims of the OPEC nations.

I, for one, believe that the American people are ready to make those choices, ready to meet the demands and face the challenges necessary to make this Nation energy independent.

As the late Hubert Humphrey once said:

> The challenge is urgent, the task is large, the time is now.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I thank the gentleman for his very good comments. I appreciate all the help he is giving us to try to change the energy situation in this country and improve it.

Mr. Speaker, I would be very happy to yield to the gentleman from Texas (Mr. COLLINS), who has probably been one of the leading four or five spokesmen in this Congress and in previous Congresses for developing an energy supply that will not only benefit producers, but also consumers.

□ 1820

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. EDWARDS) for yielding.

Oklahoma is known as a great oil-producing State. Oklahoma has been progressive not only in oil, but we all know of its outstanding job in the production of new natural gas.

As all of us know, oil and gas are interrelated. It is related energy, except when they drill deeper, it seems, they usually find gas or a dry hole.

One thing that people do not seem to understand is the fact that America today is meeting its demands for oil and gas through imports. The statistics are there. Half of our oil today is imported from the Arab OPEC countries, and half of it is produced domestically.

As the fine gentleman from New York (Mr. KEMP) said, we have the potential in this country to produce it right here and keep those American dollars here, but instead we have been following a very loose economic policy and we have been draining America to the very bone, as we are shipping all the dollars abroad to buy half our oil.

When we read the papers, we regret that they do not remind the American public over and over that the fundamental point is this: That 6 years ago the United States was importing $3 billion in oil, last year we were importing $42 billion in oil, and this year the United States is importing $60 billion in oil. We are importing 20 times as much oil in dollars as we were just 6 years ago.

And what is happening? What is happening is this: All this American money is being paid out to the Arab OPEC countries. They are getting shopping centers, they are getting banks, they are getting our corporate stocks. Every day I hear some Congressmen who are our colleagues talking about what is happening to our farms. They say the countries abroad are buying up our farms. We have to pay for that oil some way if we are going to continue to import foreign oil.

What we are doing is just simply giving away our country. It was $3 billion 6 years ago, this year it is $60 billion, and it will be another $60 billion next year. We are bleeding America dry with the confused Carter energy policy.

The answer for energy is to start concentrating on domestic production.

Mr. Speaker, let me ask the gentleman from Oklahoma (Mr. EDWARDS) if he is familiar with what has happened in Oklahoma? Are they able to hold up their production, or have they had the same experience we have had in Texas?

Mr. EDWARDS of Oklahoma. Mr. Speaker, we have had quite a problem with reduced drilling activities as a result of the Federal energy policies.

Mr. COLLINS of Texas. Mr. Speaker, what has happened in Texas is this: Gov. Bill Clements got on the stump and explained it. Apparently the news never was heard up here in Washington, but we understood it down in Texas.

In the past 3 years in Texas, which is the biggest oil-producing State in the lower forty-eight, although Alaska is out there and it is coming along and helping, but let us take Texas oil production where all the oil wells are running wide open. Texas oil wells are producing as much as they can possibly produce; yet they are down 600,000 barrels a day from 3 years ago. They are down 600,000 barrels of oil a day in production.

This gets back to the fundamentals. I ask, "Why does Congress not deregulate the price of oil and pay Americans the same as they pay the foreign OPEC countries?"

I have some interesting figures here covering a report of the petroleum situation, and this is from a paper published by Chase Manhattan Bank. They are quoting in here the different prices that the refineries pay for crude oil. It is a hodgepodge of prices.

Refineries by the foreign oil at the top price. For foreign oil they are paying $18.96. Many of these are long-term contracts. Even at that they are still paying $19 a barrel.

I might just say that the last price I saw on foreign oil was $22.40 in Philadelphia, and they tell me market quotes are at $23.50, and they will be at $25 a barrel soon.

What do they pay Americans? For American oil they were paying for what they call "lower tier" just $6.35. In other words, for all the old oil in this country from Americans they are only paying $6.35 a barrel. For what they call "upper tier" they were paying $13.55, for Alaskan oil, $15.53, for stripper oil, $17.83, and for MPR, $15.92.

But what is interesting is that nowhere do they pay Americans the same price as they do the Arab OPEC countries. This is absurd.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as the gentleman knows, after those facts are established and after the OPEC countries periodically increase the price they are charging us, we come back in this Congress and have to debate on whether or not to send foreign aid to the OPEC countries because apparently some people down at 1600 Pennsylvania Avenue do not think that we are yet giving the OPEC countries enough.

Mr. COLLINS of Texas. And as the gentleman knows, yesterday Congress passed another $7.7 billion in foreign aid to give away around the world.

It is time that the countries of the world look us over, considering the way we run our economic policies. People have forgotten that we are no longer the richest country in the world. We are now No. 8.

I was amazed when I heard that. I always thought America was the richest country in the world, but we have dropped, and the reason we have dropped is that we no longer try to be self-sufficient. We are trying to find an easy way; we are letting other people do the job for us.

Mr. Speaker, I want to bring out something else at this time. I appreciate the gentleman from Oklahoma (Mr. EDWARDS) giving us this overall energy picture because the gentleman from Oklahoma is putting oil and gas in perspective. I have a data sheet from the Morgan Guaranty Survey of September 1979. This just came out. It is an interesting chart. They compared the years 1969 to 1979, and I include the chart in the RECORD at this point, as follows:

Oil profits vs. manufacturing profits (percentage return, after taxes, on stockholders' equity)

	Manufacturing companies	Oil and coal companies*
1969	11.48	11.73
1970	9.33	10.98
1971	9.68	10.33
1972	10.60	8.70
1973	13.01	11.60
1974	14.90	21.11
1975	11.58	12.44
1976	13.95	14.31
1977	14.18	13.61
1978	15.00	13.28
1979 (1st Qtr.)	15.74	15.75

*Industry classification was changed to petroleum and coal in 1974. Prior to 1974, figures are for petroleum refining and related products.

Source: Federal Trade Commission.

Mr. Speaker, this chart shows what manufacturing companies earned in the way of return on investments, and it compares this with what oil companies earned in return on their equity. What is interesting is that the oil companies, outside of 1 year, 1974, have usually earned less than manufacturing companies.

I might just add, although the TV networks never put this on in the TV network news shows, that the oil companies always earn less than the networks earn in their return on equity investment. It would be a most appropriate thing if they would compare oil company earnings with what TV networks make on their equity return. The oil companies usually make less than other manufacturing businesses.

Mr. EDWARDS of Oklahoma. Mr. Speaker, I wonder if the gentleman would also let me point out that studies by Chase Manhattan Bank, as I pointed out earlier in my remarks, have shown that oil companies now are investing $2 for every dollar they make in profits, and that 95 percent of their investments are being made in the energy field.

Mr. COLLINS of Texas. Mr. Speaker, I want the gentleman to just repeat that. That is so vital, especially when we hear these TV news commentators give these one-sentence statements that overlook basics.

Mr. EDWARDS of Oklahoma. What we have run into is all this criticism of the energy companies for their investments and for all the profits they are making.

A number of studies, including the one by Chase Manhattan which the gentleman quoted earlier, shows the oil companies now are investing nearly $2 for every dollar they make in profits, and of that money they invest, which is twice their profits, 95 percent of that is being reinvested in the field of energy.

Mr. COLLINS of Texas. Mr. Speaker, this is what they are doing, and I am so glad the gentleman emphasizes that because the House recently passed a bill called the Windfall Profits Tax. It had nothing to do with windfall, and it had nothing to do with profits. All it had to do with was tax, and what it did was tax the American companies 60 percent and tax the OPEC companies zero percent.

That is beyond visualization. It is hard to believe that the House taxed the American companies 60 percent and the Arab OPEC countries, the OPEC rich countries, zero percent.

We sent that windfall bill over to the Senate, and I do hope that body has more time to deliberate on it than we did.

Mr. EDWARDS of Oklahoma. Mr. Speaker, as I pointed out earlier, the significance of the fact that so much of that investment by the oil companies goes into energy production is that the so-called windfall profits tax—the severance tax, as I call it—is taking away money that would be invested in energy production at twice the rate of profits.

Mr. COLLINS of Texas. Mr. Speaker, as the gentleman brought out also, this windfall tax is not based on profits but it is based only on increased prices. The increased price has been created by the OPEC countries. The gentleman from Oklahoma emphasized the fact that the American oil companies are reinvesting all profits into exploration and development.

It was a mistake when the House did not pass the plowback tax credit and allow capital for the oil companies to go back in and explore for more oil and more gas in our own country.

Mr. DASCHLE. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from South Dakota.

Mr. DASCHLE. Mr. Speaker, I would like to compliment the gentleman from Oklahoma (Mr. EDWARDS) for this very informative colloquy on a problem that I think we have not addressed adequately. I am talking about the Nation as a whole.

We talk about the need for a commit-

ment, we talk about the lack of commitment in this country, and I cannot think of a better example than the kind of lack of commitment we have in our country right now to pull ourselves out from this tremendous dependence that we have on foreign oil and the economic jeopardy we put ourselves in because of it.

We can think of a lot of ways—and many of them have been mentioned tonight—as to how we might be able to pull ourselves out of this. We have talked about the nonrenewable resources, and I think we would all be very remiss if we did not talk about the renewable resources and the tremendous impact they could have on our situation.

Just yesterday the renewable alcohol resources caucus made a report about one country that does have a commitment, and that is Brazil. Brazil in the last 4 years has committed itself to the use of renewable resources like alcohol fuels. They by 1985 are going to have the capacity to produce enough alcohol to fuel 60 percent of their automobiles entirely from alcohol fuels. This is not gasohol but pure alcohol. I think it is that kind of potential and that kind of commitment among some of us in this country that we must have to do exactly the same thing.

□ 1830

But if ever we have been stymied by unnecessary rules and regulations, if ever we have had problems in dealing with the Federal bureaucracy, in dealing with archaic rules and regulations with the production of alcohol, it is now.

We are dealing with a time in which the problems that we are facing go back to the 1920's and the 1930's and the prohibition era, and the Bureau of Alcohol, Tobacco and Firearms has come to the conclusion that they have to improve and update the rules and regulations.

I have some facts which I thought were quite interesting. During the first 5 months of this year, the Bureau of Alcohol, Tobacco and Firearms received more than 6,000 inquiries on alcohol fuel production regulations. That compares to 1978 with fewer than 100 such inquiries which were received.

I think it indicates the tremendous potential, the tremendous interest there is toward the production of alcohol fuels; but we are not going to get it done, we are not going to develop these new technologies, we are not going to make ourselves self-sufficient if we are going to continue to contend with the problems that we are facing right now with the Federal regulations that are outdated.

So once again I want to thank the gentleman from Oklahoma for providing all of us with this opportunity. I think it is a good one, and one which should be done more often.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his remarks. I think we have made a number of very good points that need to be addressed if we are ever to get ourselves out of this predicament that Congress has gotten us into.

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. EDWARDS of Oklahoma. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I would like to go on with what is happening to our domestic reserves.

I have some figures here that were prepared by the Morgan Guaranty survey in their latest publication, which came out in September 1979.

OIL RESERVES, PRODUCTION, NEW DISCOVERIES

	Crude oil and natural gas liquids (billion barrels)			Natural gas (trillion cubic feet)		
	Proved reserves at Jan. 1	Annual reserve additions	Annual production	Proved reserves at Jan. 1	Annual reserve additions	Annual production
1971	46.704	2.665	4.072	290.7	10.1	22.5
1972	45.367	1.796	4.082	278.8	9.8	22.5
1973	43.126	2.555	3.995	266.1	6.5	22.6
1974	41.755	2.614	3.819	250.0	8.5	21.6
1975	40.600	1.937	3.679	237.1	10.8	20.1
1976	38.950	1.919	3.554	228.2	7.4	19.9
1977	37.344	1.695	3.600	216.0	12.3	20.0
1978	35.480	1.943	3.741	208.9	10.7	19.9

We actually are draining our American reserves. In other words, we are draining our oil and gas reserves and we are not putting the money into additional production which America needs to be doing. It shows that, taking crude oil—and they measure crude oil in terms of billions of barrels of reserves—they had 46.7 billion in reserves in 1971, and it has gradually gone down. You can just watch it year by year. In 1978 it dropped to 35.4 in billions of barrels of oil reserves in our country.

What has happened with natural gas? You measure that in trillion cubic feet. They had 290 in 1971, and it has drifted down to 208. We are losing our oil and gas reserves because we are not paying enough to go back in. The gentleman knows, because he has seen it in Oklahoma, we have tremendous potential recoveries in secondary and tertiary. In our primary oil drillings we have only recovered 30 percent of the oil. If we would pay a fair price, we could recover that middle 40 percent. The bottom 30 percent in the wells can cost too much. But if we would pay as much to Americans as OPEC and let Americans go in there and recover oil—it means water flooding, it means the use of chemicals, it means the use of steam—we can do it in secondary and tertiary.

I have one other thing I would like to discuss. People talk about the price of natural gas. Nowadays you can get about $2.25 for gas, but they do not mention that all of the gas that has been bought in the past, when the purchasers buy it, they usually buy it in terms of life of the field. I was interested to see—and I picked out the last quarter of 1978—45 percent of the gas is now moving at the rate of 21 cents to 40 cents, which means that nearly one-half of the natural gas is moving at about 30 cents. I went back on the chart to see what is happening at the high price end. We keep hearing you can get $2.40 per thousand cubic feet. So I took the gas sold from 1.80 per thousand cubic feet and up which accounts for 3.7 percent of the present market. What happened is that the smart buyers, when they bought gas, were buying it on the life-of-the-field basis. Sometimes these fields produce 25 years or 30 years.

There is one other thing to remember about gas. The cost of the raw gas makes up less than 20 percent of the cost to the consumer. But on the other hand, if gas distributors do not have the natural gas in the pipeline, they will still have their heavy basic overhead expense. The reason we are talking about gas and oil, as the gentleman knows, you might drill for oil and you might get gas, and they both interserve each other as energy sources.

I have one other thing I would like to include, that is, to quote from the same Morgan Guaranty survey, in contrasting what happened 20 years ago and what is happening today as relates in terms of real dollars as to what happens when price relationship affects oil drilling.

Twenty years ago, in 1958, the composite oil-gas price was $4.46 a barrel. Exploratory wells drilled in that year numbered 13,199. General inflation through the 1960s and into the early 1970s exceeded the rise in the oil-gas price, which was held down by government controls on natural gas prices and by cheap imports of foreign oil. Thus, by 1972 the inflation-adjusted oil-gas price had dropped to $3.16 a barrel. Not surprisingly, exploratory drilling steadily declined: by 1972, for example, wells drilled had dropped to 7,539.

When the price of oil went down in terms of real dollars, the number of rigs went down, down, down. Today, as the oil price has gone up, the number of rigs has gone up. But, of course, they have to drill twice as many feet now to end up getting production as oil is harder to find. When you drill deeper it is more expensive. But the oil is there. This country can be completely and entirely self-sufficient within 3 years after full deregulation of the price of oil and gas.

Mr. Speaker, I thank the gentleman from Oklahoma for one of the most constructive days we have had in Congress.

Mr. EDWARDS of Oklahoma. I thank the gentleman for his contribution.

● Mr. BADHAM. Mr. Speaker, the current energy situation is one of the great examples of what can happen when government interferes in the free market

system. The energy crisis we are experiencing today is not so much a lack of energy but rather a shortage of supply and an overabundance of bureaucratic redtape and regulation.

This shortage of supply has been misinterpreted by many as a worldwide lack of energy. Thus, many well-intentioned legislators have made conservation the cornerstone of their energy policy proposals. This approach can only restrict the economic and social growth of our great Nation. If we are to move ahead we must permit the free market system to operate in this vital area of energy.

Government controls have artificially kept the price of petroleum at a relatively cheap price when compared to other industrial nations, but in doing so, these controls have also destroyed the incentive to explore and develop new sources of domestic oil. This in turn has forced the United States to rely on unstable and uncertain foreign sources of oil for 50 percent of its needs.

I admit that the lifting of governmental controls will cause the price of oil to increase, but the results of such a move are well worth the costs. Deregulation will provide the needed incentive to develop domestic sources of oil, encourage the conservation of this precious resource, decrease our reliance on imported oil, and most importantly, deregulation will provide the United States with a reliable energy supply.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. MCKINNEY) is recognized for 5 minutes.

● Mr. MCKINNEY. Mr. Speaker, on Friday, September 7, I was in my district on official business and was unable to vote on rollcalls 448 through 453. I would have voted as follows on the five yea and nay votes:

"Yes" on House Resolution 386, the rule to consider H.R. 79, providing for reorganization of the Postal Service; "yes" on the vote whereby the House agreed to resolve itself into the Committee of the Whole to consider H.R. 79; "yes" on the amendment to retain the present ceiling on public service subsidies to the Postal Service rather than the increases provided for in H.R. 79; "yes" on final passage of H.R. 79; and "yes" on the conference report on S. 1019, to lift the ban on aid to Uganda.●

MORE LEGISLATION IS NOT NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, my colleagues and I are here to focus attention on what I feel can be classified as this century's most far-reaching and fundamental problem. That problem is how our Nation will resolve the demand for energy with available world resources and our capability to produce domestic energy supplies.

We currently consume more energy than we produce. Consequently, we depend on foreign sources for approximately 9 million barrels of oil per day out of a total consumption of 17 million barrels per day. This amounts to about $60 billion annually as compared to $8 billion in 1973, the year of the Arab oil embargo. This trend of increasing imports and increasing costs results in some unhappy facts.

One, we rely on our oil supply from undependable sources. Nations such as Libya and Algeria are openly hostile to the United States, while both Saudi Arabia and Nigeria have threatened the continuity of oil exports depending upon U.S. foreign policy with the PLO and Rhodesia. Just yesterday I received a study commissioned by the Domestic Refining Group on the national security implications of our reliance on foreign oil. Indeed, the recent supply interruption caused by the Iranian revolution further exemplifies the instability of our oil supply.

Two, the interrelationship between energy and the economy is inextricable. Economy, in turn, is the basis on which our democratic society relies. Unless we can resolve the problem of energy demand versus available supply and production capability, we cannot hope to progress internally or to continue in a stable and peaceful manner. The challenge, then, is to decrease our dependence on foreign energy sources by increasing domestic energy production.

We can meet this challenge by focusing attention on our abundant resources of coal and oil shale, and our existing supplies of onshore and offshore oil and gas. Additionally, we can develop the necessary technologies to develop these resources in an environmentally safe manner.

The Congress has addressed this issue by introducing a number of bills designed to promote synthetic fuel production. I have introduced, along with my colleague LARRY WINN, H.R. 5117, the Synthetic Fuels Production Act of 1979, a bill to provide for research and development and to encourage and promote the production of synthetic fuels. In addition, we are all familiar with the President's July 15, 1979 speech in which he proposed an Energy Security Corporation whose primary purpose would be to encourage synthetic fuel production through various financing mechanisms. All of these proposals deserve to be carefully scrutinized by the various committees; and if we do nothing else here today, I feel that we should urge the Congress to begin extensive hearings on the legislative initiatives already introduced. I would suggest that, at this point, we do not need more legislation but action on the legislation we have.

Concurrent with this action must be an effort to address the Federal institutional barriers to increased energy production. These barriers most frequently take the guise of consumer and environmental protection. Too often, however, regulations promulgated by the Federal Government to achieve consumer and environmental protection create a bureaucratic morass whose effect is to substantially slow production and even stop it altogether.

No one disputes the need to protect our society from unsafe working conditions, health hazards, or environmental degradation. To ignore such potentially harmful factors in energy production could bring even greater problems down upon us. What we must attempt to do, however, is balance the need for a healthy and safe society with the need for energy to insure a continuation of that society. The existing tangle of Government regulations, in my opinion, must be modified to allow for the expeditious development of key energy projects. Unless we can address the regulatory system from this viewpoint, I believe the result will be slowed production, increased costs, and a substantial waste of energy and resources which could be better utilized elsewhere.

Energy independence can be achieved only if we begin to produce domestic sources of supply at a rate consistent with demand. I feel this can be accomplished by legislative action designed to finance energy production and to cut through the regulatory process. In turn, we will be working toward a more stable society whose economy depends more upon internal domestic policy than upon the whims of foreign nations. I urge my colleagues to accept the challenge of U.S. energy independence as the foremost priority of this Congress. What we accomplish here will have untold ramifications for succeeding generations of Americans.●

SUGAR STABILIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Louisiana (Mrs. BOGGS) is recognized for 5 minutes.

● Mrs. BOGGS. Mr. Speaker, in the near future, this House will consider H.R. 2172, the Sugar Stabilization Act of 1979. While many know of the importance of this legislation to our domestic sugar industry, I do not think enough attention has been focused on the potential impact of this bill on our future energy needs.

While the Congress and the administration are considering programs to lessen our dependence on imported fossil fuels through accelerated research and development, many of these programs are necessarily long-range and will make significant contributions only years into the future.

Gasohol, on the other hand, is an existing technology which can use readily available and renewable agricultural and forest resources to produce the required alcohol. In reality it is liquid solar energy. Alcohol is a clean burning, highly efficient, nonpolluting fuel which is wholly compatible with the catalytic converters which are required by EPA regulations.

Brazil has perhaps the most ambitious program to expand the use of alcohol

as an additive to petroleum. Other countries working on the development of gasohol are the Dominican Republic, Thailand, Costa Rica, and the Philippines. It is no coincidence that all of these countries are major sugarcane producers.

The only country, in fact, with the capacity to produce plentiful sugar supplies which appears not to be fully committed to developing sugar-based alcohol fuels is the United States, where plans for two gasohol production plants in Louisiana are still on the drawing boards because of uncertainty over the future of the sugar industry itself.

I would like to share with my colleagues an article that appeared last month in the New Orleans Times-Picayune on the potential of gasohol for rescuing our domestic sugarcane industry from its rather precarious state.

I would also like to take this opportunity to call attention to the First Inter-American Conference on Renewable Sources of Energy which will be held in New Orleans this November 25 through 29. This conference, sponsored by the Cordell Hull Foundation for International Education, is to bring together for the first time in the Americas all of the available technology, both domestic and foreign, on the feasibility of conversion of agricultural products to ethanol. Representatives from South and Central America, the Carribean, and the United States will participate in the conference.

Mr. Speaker, I ask unanimous consent that I be permitted to insert this article on gasohol from the August 6 edition of the New Orleans Times-Picayune in the RECORD.

GASOHOL: LOUISIANA'S SAVIOR?

(By Wendy Schornstein)

Saviors don't come along every day, and it's not always easy to know one when you see one.

Gasohol has the look of a savior to some Louisianians. It is sometimes seen as the answer to the nation's gasoline problems and the salvation of the sugar industry at home.

While everyone is not sold on the gasohol concept, no one seems to be dismissing its possibilities.

If all the sugar in Louisiana were converted into alcohol for gasohol, only 5 percent of the state's gasoline needs would be met. But Frank G. Carpenter, research leader in cane sugar refining at the Southern Regional Research Center, says, "Every little bit helps."

Will it save the sugar cane industry? "Well, maybe yes and maybe no," he said in a recent interview. He has reservations because alcohol can be made from many crops, all of which will be competing with sugar cane.

"We're not emphasizing gasohol here," he adds. "The economics are not good at the moment."

Dr. J. A. Polack, director of LSU's Audubon Sugar Institute, disagrees. He thinks that the tax exemptions afforded by the government "make (gasohol) economically viable." To qualify for exemption, 10 percent of the manufacturer's fuel must be alcohol.

Both the Louisiana Legislature and the Carter administration have offered incentives for the development of gasohol as an alternative energy source.

The complications of alcohol production boil down to three problems (or, as the optimists would say, considerations). First, there is the question of what the distillery will run on. Sugar cane is ripe for harvesting only two months out of the year, so other crops must be harvested in the remaining months.

Secondly, for each gallon of alcohol produced from sugar, there are 13 gallons of waste. The waste, called slop, must be disposed of. And thirdly, how does one prepare for economic fluctuations that may turn alcohol production into an unprofitable business?

Louisiana Gasohol Corporation president Robert Guillory has studied these questions. His corporation is planning a pilot plant that should be in production a year from now. He is not worried about rising prices of sugar, corn or any other crop because an alcohol plant can simply switch to a crop with the right price.

In fact, his pilot plant will not use sugar cane because "at today's price of sugar, you do much better refining every bit of sugar cane into sugar."

Instead, it will use sweet sorghum, corn, milo, sweet potatoes and molasses taken from cane. Guillory sees gasohol as a "real boost to sugar cane people" because they can plant another crop on the portion of land which must be left fallow every year for cane growing.

A mill can run only two and a half months on cane, but adding other crops with longer harvest seasons can stretch production to five months.

The Louisiana Agri Fuels Corporation, which is planning to build an alcohol plant adjacent to the Cajun Sugar Cooperative Mill in New Iberia, intends to use black strap molasses, cane syrup and sweet sorghum.

According to Agri Fuels president Carlos Toca, sugar cane is attractive because early matured and freeze-stricken cane, which cannot be refined into sugar, contains fermentable sugars which can be converted to alcohol.

"This plant will be energy self-sufficient and pollution free," he said. Bagasse, the fibre left after taking the sugar out of cane, will be used to generate the plant.

Vice-president Robert Angers Jr. said the "slop" can be used two ways: for cattlefeed and in the production of pharmaceuticals.

To guard against a possible rise in the price of sugar, which would make the sale of cane to refineries more profitable than the sale of cane to alcohol plants. Agri Fuels will work on a contract basis, said Angers. Agri Fuels already has commitments from several sugar mills, he said.

"We are involved in negotiations with one of the major oil companies for the purchase of alcohol," Toca said.

But what if the price of gasoline decreases, becoming cheaper than gasohol? Nichols State University chemistry professor Dr. Cary Flowers, who thinks gasohol will be "the salvation of the sugar industry," believes this is impossible.

"The price of alcohol is based on etholine, which is a petroleum product," he says, "so if the price of oil goes up, the price of alcohol will go up too."

Dr. Flowers also sees no problem with competition between sugar and alcohol. He predicts that the prices of both will rise simultaneously.

"I can't agree with that," says Joseph Harrison, vice president of production at Supreme Sugars. "It's a fallacy." Supreme Sugar's parent company is Archer Daniels Midland of Decatur, Ill., the only major producer of alcohol for gasohol in this country. Harrison said his company is "still in the study stage" and warns, "This is no backyard distillery we're talking about."

The scale of the industry and the variables involved have made most researchers and investors cautious. Different findings and theories will be discussed at the Conference on Gasohol in November in New Orleans. Though people disagree on the production and economics of gasohol, they seem to agree on two things: it's complicated, and it needs a lot of study.●

DANIELSON ENERGY QUESTIONNAIRE RESULTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DANIELSON) is recognized for 5 minutes.

● Mr. DANIELSON. Mr. Speaker, today I am calling the attention of my colleagues to the results of a questionnaire dealing with the energy situation that I recently sent to my constituents throughout the 30th Congressional District of California.

The results show strong support for the continued use of nuclear powerplants, a standby gasoline rationing plan, conversion of industrial plants to coal, and the 55 miles per hour speed limit.

The survey also shows that the average working constituent who responded to the questionnaire drives 113 miles to and from work each week, and that 91 percent of those constituents rely on a car or truck, or a carpool, to get to work.

The average constituent in my district estimates that he gets 16.7 miles per gallon and that he could reasonably reduce his driving by about 9 percent without making a considerable change in his life style.

Those favoring decontrol of oil prices—if coupled with a windfall profits tax—outnumber those opposed to decontrol by more than 2 to 1, although almost one-third of the respondents were undecided on that question.

The constituents who responded blamed the oil companies the most for our current energy problems, made Congress second on the list of those to be blamed, and the President was blamed the least.

There is a strong desire among my constituents to own smaller cars than they presently own. Half of the people who indicated that they presently own a large car said that they would buy a smaller car, and 42 percent of those owning a medium size car want to go to a smaller one.

With gasoline prices now over a dollar a gallon they have good reason to want a smaller car, since the average small car owner estimated his mileage per gallon at 22.5 and the average large car owner said he got 13 miles per gallon.

The gasoline lines and higher prices did not make small car converts out of everyone, however. It is interesting to note that 26 percent of the large car owners said that they would buy even larger cars while only 14 percent of the

small car owners and 17 percent of the medium size owners said they would move to a larger car.

Bearing out the claims that the Los Angeles area is vitally dependent on the automobile, the results showed that only 5 percent of these constituents who are working go to their job by bus, 1 percent by motorcycle, 1 percent by bicycle, and 2 percent walking.

The complete results of the questionnaire are as follows:

CONGRESSMAN GEORGE E. DANIELS'S ENERGY SURVEY RESULTS, AUGUST, 1979

1. Do you think we produce enough oil in this country to meet our energy needs, or do we have to import some oil from other countries? Produce enough, 28%. Must import, 53%. Don't know, 19%.

2. Who do you think is most to blame for our current energy problems? (check one or more) Department of Energy, 41%. The President, 31%. OPEC, 39%. Oil Companies, 57%. The Public, 33%. Congress, 48%.

3. How do you go to work? Car or Truck, 85%. Carpool, 6%. Bus, 5%. Motorcycle, 1%. Bicycle, 1%. Walk, 2%. (22% did not answer this question and are not included in the percentages shown)

4. Estimate the percentage of use of your motor vehicle for each of the following: Work, 57%. Other Essential Use, 28%. Recreation, 10%. Non-essential Use, 5%.

5. By what percentage could you reasonably reduce your driving without considerable change in your life style? 9%.

6. How many miles do you drive (round trip) to and from work each week? 113 miles.

7. What is your estimated miles per gallon? 16.7 mpg.

8. If you use your personal vehicle, or purchase your own gasoline in a company-owned or leased vehicle, how many work-related miles do you drive a week? 63 miles.

9. Is your auto: Small, 30.5%. Medium, 49.5%. Large, 20%.

10. If you intend to buy a new car within the next year, do you plan to buy one that is: Smaller, 37%. Same, 45%. Larger, 18%.

11. Do you favor the decontrol of oil prices:

(a) if coupled with a windfall profits tax? Yes, 48%. No, 21%. Undecided, 31%.

(b) without the windfall profits tax? Yes, 20%. No, 24%. Undecided, 55%.

12. Do you feel that higher prices will substantially increase the amount of oil that will be produced in the United States? Yes, 51%. No, 38%. Undecided, 11%.

13. Would you favor the nationalization of all oil companies? Yes, 30%. No, 59%. Undecided, 11%.

14. Would you favor the nationalization of all public utilities? Yes, 24%. No, 64%. Undecided, 11%.

15. Would you favor a Federal purchasing office that would purchase all oil bought overseas and redistribute it to the oil companies? Yes, 36%. No, 50%. Undecided, 15%.

16. Do you feel that world oil reserves will be too small to meet our energy needs after: (a) 10 years? 18%. (b) 20 years? 32%. (c) 50 years? 27%. (d) 100 years? 15%. (e) Never? 8%.

17. Which of the following alternative sources of energy do you think we should put the most money into developing? (Please number the three you consider most important, and the order of importance, by numbering 1, 2, and 3)

1st, Solar Energy.

2nd, Coal.

3rd, Nuclear Power.

4th, Synthetic Fuels.

5th, Geothermal.

6th, Hydrogen.

7th, Wind Power.

8th, Other.

18. Do you think we should ease the air pollution laws in order to increase the gasoline supply? Yes, 46%. No, 44%. Undecided, 10%.

19. Do you think that industrial plants, whenever possible, including electric power plants, should convert from the use of oil or natural gas to coal? Yes, 67%. No. 16%. Undecided, 17%.

21. Do you plan to take advantage of the tax credit for adding insulation to your home within the next two years? Yes, 23%. No, 45%. Undecided, 32%.

22. Are you in favor of the 55 mile per hour speed limit? Yes, 78%. No, 18%. Undecided, 4%.

23. Do you regularly save aluminum, glass, paper or any products and turn them in for recycling? Yes, 64%. No, 36%.

24. Should we have a standby gas rationing plan ready in case of emergency? Yes, 78%. No, 15%. Undecided, 8%.

25. Do you feel that the "odd-even" system was a major factor in the lessening of the gas lines in California? Yes, 67%. No, 25%. Undecided, 7%.

26. The recent accident at Three Mile Island in Pennsylvania at a nuclear power plant has caused a great deal of concern regarding the safety factors involved. Which of the statements below most closely parallels your own views?

42%. We must continue to build nuclear power plants. We need the electricity and the risks are outweighed by the benefits.

35%. We must slow down nuclear plant construction, make absolutely certain that safety measures are foolproof, and build them in sparsely populated areas only.

17%. We should not build any more plants at this time and should watch those that are in operation very closely, closing them at the first sign of trouble.

6%. We should shut down all nuclear power plants immediately and never build any more.

	Small car owners	Medium car owners	Large car owners	Total
Intend to buy a smaller car (percent)	20.7	42.0	50.0	37
Intend to buy the same size car (percent)	65.7	40.6	23.7	45
Intend to buy a larger car (percent)	13.6	17.4	26.3	18
Miles per gallon estimate	22.5	15.5	13.1	

MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. SHELBY) is recognized for 5 minutes.

● Mr. SHELBY. Mr. Speaker, I wish to call to the attention of my colleagues the following article by Vernon Cox which appeared in the Birmingham Post-Herald on July 21, 1979. Mr. Cox eloquently expresses what millions of Americans have been saying for some time. Unfortunately, it appears to me that the people who have been elected to Congress are not listening to their constituents and to the people like Vernon Cox who have given so much to their country.

The editorial follows:

MR. PRESIDENT, GET GOVERNMENT OFF OUR BACKS

(By Vernon C. Cox)

It was gratifying to read a complete text of President Carter's July 15 speech because after reading remarks by Senators Stewart and Heflin, Congressman Buchanan, Mayor Vann, Commissioner Doss and several other politicians I found out that Councilman Larry Langford and I had not listened to an entirely different speech.

May I use "Another View" to accept Mr. Carter's invitation to "let your voice be heard" and present the thoughts of a very average American who, for 44 years, has worked for and with many people in the construction and allied industry, all of us with a great deal of pride and the happy feeling that goes with building something, to produce a high quality, reasonable priced structure to owners.

I now watch, with tears in my eyes, as my governments tear the industry apart through their prevailing wage requirements, their affirmative action plans, their mandated minority participation deals, their required reporting procedures, their licensing, permit and inspection controls, their costly and unrealistic safety standards and on and on.

Mr. Carter stated that the main threat to America and the American way of life was "a crisis in confidence." Also, "for the first time in the history of our country a majority of our people believe that the next five years will be worse than the past five years." Yet, Mr. Carter never addressed himself as to why Americans had lost confidence and expected a worsening. Mr. Carter also stated "The productivity of American workers is actually dropping."

May I ask, "Mr. President, what did you expect?" In the construction industry you, the top dog in our government structure, allow your bureaucrats and legislators to make contractors pay the same sizable wages for the sorriest carpenter, painter, mason, etc. as for the best, most productive craftsman. Your rules won't let us weed out those who won't or can't produce and thus takes all incentives away from those who can and will produce.

Then, too, Mr. President, you surely must realize that about 10 percent of the work force on the public payroll never produces anything except more paperwork to penalize the production of those who are trying to efficiently produce buildings, cars, gasoline, stoves, refrigerators, etc. And your unnecessarily high mandated wage scales, including minimum wage scales, confiscatory employer taxes, "timely" deposits of those taxes with their attendant penalties for being "untimely" and the fact that government has overspent so freely and "borrowed" so much money there is not enough left for a private employer to finance a business, even with outrageous interest rates, make it quite undesirable to even try to be an employer.

If you were in the construction business, Mr. President, the cash flow problems would make you wince. Why do you think Americans expect to be worse off in the next five years? Most of the answers lie within your Sunday night speech. We have watched you waste 22 billion tax dollars on a Department of Energy to create such total confusion in the energy field that all anyone can now say is "I've got to have more money."

Instead of trying to rectify this great error in judgment you propose to compound it by creating an Energy Security Corporation and an Energy Mobilization Board. This will only add to the confusion and further shackle the producers in America who can get things done if left alone. Also we realize you are the prime mover behind the proposed separate Department of Education, an even greater boondoggle.

You propose great new spending programs by borrowing through bonds and by taxing "windfall profits." By innuendo you are guilty of making it sound like the oil companies are ripping off the American public, but the tax will be paid by the American consumer not the oil companies.

You're not being honest with us, Mr. President, because all one has to do is look at who winds up with the money. It has been the 85 percent increase in government spending in the past five years and the accelerating pace since you became president that make the next five years look pretty bleak. And you must know that you already have about three-fourths of a trillion dollars out in notes and bonds. Adding another five billion ain't going to help that problem any.

But more pessimism is created by your Sunday statement, "Our nation must be fair to the poorest among us. So we will increase aid to needy Americans to cope with rising energy prices," than by any other action or inaction you might take. It is this type of social program which will do most to defeat America, if America is to be defeated, because we Americans made America what it is by hard work, saving, and helping those who can't help themselves.

Let us handle aid to those who can't cope with high energy costs, Mr. President. I'll guarantee you we'll do a better job than even the United States government can.

Both the Declaration of Independence and the Constitution use the word "liberty" where you use the word "freedom." Although synonomous they do not mean exactly the same thing.

Even as The Declaration of Independence expressed the need and the desire to be "free" of the tyrannies of the government as administered by King George, perhaps the Americans of today need to be "freed" from many of the inequities, injustices and tyrannies of the government as administered by you, Congress and the Supreme Court.

I feel I speak for millions and millions of other Americans when I say, "Yes, Mr. President, we'll go all out to save America. We only ask that you limit your help to our effort by keeping government off our backs and out of our hair. Have everyone in government shuffle their papers if they have to, just don't send them to us."

You asked us not to "take unnecessary trips." Would you consider it impertinent if I suggested you stay at the White House? That would be leadership by example, Mr. President.●

CON EDISON TAKES ADDITIONAL STEPS TO IMPROVE SAFETY AT INDIAN POINT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. ADDABBO) is recognized for 5 minutes.

● Mr. ADDABBO. Mr. Speaker, in the months since the frightening Three Mile Island accident, the Members of this body and the Nation as a whole, have soberly reflected on the dangers of nuclear energy while fully recognizing in the midst of an energy crisis the necessity for alternative fuels.

I wholeheartedly agree that nuclear fuel has a future in supplying the energy needs of major metropolitan areas such as New York City. But I am also aware that every safety precaution must be taken to insure that nuclear energy is safe energy.

Discussions on nuclear safety have been loud and lengthy. I am pleased to report that some people have been doing more than just talking.

The Consolidated Edison Co. of New York State operates a nuclear powerplant at Indian Point, just outside of New York City. When the episode at Three Mile Island occurred many of the people of my district and throughout New York were particularly concerned, perhaps even frightened about the potential hazard that Indian Point might present. I contacted Con Ed to see what they intended to do to insure the safety of our communities.

Con Ed recently reported back to me on its stepped up safety measures.

To improve the safety and reliability of its Indian Point 2 generating unit, Con Edison is undertaking 11 additional design and operational changes as a result of its own preliminary "phase I" evaluation following the accident at Three Mile Island last March 28. Immediately following the accident, Con Ed initiated operating procedure and training reviews, including simulator training, so that the Indian Point plant operators were aware of the accident circumstances and of the correct response to similar circumstances at Indian Point 2. Among measures taken, the company modified the emergency core cooling system so that automatic safety injection systems would operate on low pressure alone without coincident low coolant level.

Nuclear energy supplied 13 percent of the kilowatt-hours consumed in the United States last year. By the year 1985 it is expected to supply 20 percent of our energy needs, and by the year 2000 31 percent. Nuclear energy has a future in helping us meet our energy needs. Con Edison's recent operating procedure and training reviews at Indian Point is certainly a step in the right direction.●

A TRIBUTE TO SIDNEY YATES

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BRADMEAS. Mr. Speaker, one of the most respected as well as engaging Members of the House of Representatives is our distinguished colleague, the gentleman from Illinois, the Honorable SIDNEY R. YATES.

I take this time to call to the attention of my colleagues an excellent article about the outstanding leadership given by SID YATES in support of the arts in the United States from his position as chairman of the House Appropriations Subcommittee on the Interior and Related Agencies, the subcommittee with jurisdiction over appropriations for a variety of programs for the arts and humanities.

I know, Mr. Speaker, from personal experience and observation the deep interest in the arts of both SID and his wife, Addie.

As chairman of this important subcommittee, SID YATES asks tough but fair questions of those who come before him and his colleagues.

Mr. Speaker, all those concerned with support of the arts in American life should be grateful to SID YATES for his contributions to that support.

At this point in the RECORD, Mr. Speaker, I insert an article by Ruth Dean entitled, "Sidney Yates—Monitoring the Arts' Money," from the Washington Star of September 10, 1979:

SIDNEY YATES—MONITORING THE ARTS' MONEY

(By Ruth Dean)

Sidney R. Yates has come to be regarded unofficially as "Mr. Moneybags for the Arts." But after 30 years in Congress, it's typical for this veteran Illinois Democrat to deflect such a reference to his unquestioned influence on the House Appropriations Committee.

"Well, it's only a *small* moneybags, really," he says. "Government funding is only one of the ways in which the arts are funded. I would assume corporate contributions make up a great deal of contributions to the arts.

"And the tax deductions we give to schools and colleges, to museums and to arts institutions and galleries, I would guess would make up by far the greatest contributions to the arts and humanities. I've often tried to find a way of computing what that might amount to, but IRS says there is no way they can figure it because it's so extensive."

Yates, chairman of the House Appropriations subcommittee on the interior and related agencies, is an unassuming, friendly, relaxed man—a mixture of soft charm and sharp perception. He talks in low, measured tones, slowly choosing just the right words. But when something sparks his interest—and almost anything can—then his words come rapidly as he reminisces with a smile.

He teases a photographer for being so quiet at her task. "You were very surreptitious," he laughingly accuses. Then he begins to recall. "I used to study photography myself, at the School of Design in Chicago, back in the '30s when Moholy-Nagy headed it. He had just come from the Bauhaus. Georgy Kepes was there too, and some of the photographers from the Farm Security Agency who'd done such marvelous work during the Depression. And we had to work on various aspects of composition. That was fun. I had my own darkroom for a while. But it's too tough now; you people do too much.

"It's kinda like the time I played basketball at the University of Chicago. It was kind of fun. I remember one score, playing against a team that became the Big Ten conference champions. It was 6–4 at the half. Now you see what the scores are like today. So, you see they've made improvements in everything."

"OOMPAH GUITARIST"

Growing up in Chicago, Yates didn't have to learn a musical instrument, though he picked up the guitar somewhere along the line and describes himself as "an oompah guitarist." His sister did play the piano, and his family loved music. "And as it happened,"

he says, "my brother-in-law was in the business of selling phonographs and records. So we used to have the record of the operas and the symphonies going. And I'd read about them. As a growing-up experience, that impressed me with the values I have today in appreciation of the arts."

Of course, the arts and humanities are only a small part of the budget packages with which Yates deals as subcommittee chairman. But their budgets have escalated to the point that the House, in its pre-August recess vote authorizing the $10.2 billion Interior appropriations bill for fiscal 1980, included an appropriation of $154.4 million for the National Endowment for the Arts and $150.1 million for the National Endowment for the Humanities. Yates floor-managed the bill.

In an uncharacteristically dramatic way, the arts thrust Yates into the headlines last May during the 1980 budget hearings for the endowments when he expressed his "disappointment" with two controversial reports he had ordered from the House Appropriations investigative staff on the workings of the two endowments.

The reports were critical of the two agencies' operations. Perhaps their most damaging accusation, in the eyes of both endowments, was the use of the code word "closed circle" to describe practice of an elitist philosophy in choosing grants panelists. Incensed at the conflict-of-interest innuendo, NEA chairman Livingston Biddle Jr. and NEH chairman Joseph Duffey returned to the hearings with lengthy rebuttals of their own, refuting "the flaws" in the reports.

Yates was sympathetic. Even four months later, his thoughts on the subject are unchanged. The reports contained a great deal of "useful material," but tended to "accent the negative" without reporting on the good work done by both agencies, which he thinks was unfortunate.

"They gave a mis-impression, which I thought tended to be unfair," he says, "which is why I brought the reports before the hearings and gave the endowments the opportunity for review and rebuttal. In the future I think our investigative staff will look at and bring forward the good things that are done by agencies as well as the bad. We want to know both."

MANY LONG HOURS

The 70-year-old Yates is well-respected by his colleagues, his staff and arts officials. He's "the boss" to his staff, who put in as many long hours as he does.

"The staff is nutty about him; everyone just adores him," says Mary Anderson Bain, his administrative assistant, longtime supporter and friend, who managed several of his campaigns including his unsuccessful 1962 bid to upset the late Sen. Everett McKinley Dirksen. It was his only political defeat in 30 years of politics. When he returned to the House in 1965, she came with him. No, he says, he'll "never run for the Senate again." He's too happy with what he's doing now.

"I'm very lucky," he reflects. "Members of Congress go through their service frequently serving on committees that are not as interesting to them as others might be. I'm very fortunate in having been able to be on the subcommittee of the Appropriations Committee that permits me to work with the subjects in which I have very great interest.

"And that throws me into contact immediately with the exhibitions that take place in the Washington community, and people throughout the country who have established communication with me."

Despite the drama of last May's hearings, including a surprise appearance by Rep. Shirley Chisholm on behalf of the Black Caucus to protest endowment practices—later refuted—there were no television klieg lights, just the early May sunshine streaming through the room's basement windows.

Though interested in the potential of television and the movies as art forms he frankly believes both endowments could do more for, Yates is a private person who shuns the limelight of evening TV newscasts. His committee assistants, Fred Mohrman and Mike Dorf, zealously guard his privacy and wishes. If he embargoes a report, mum is the word from them until time for release. Print reporters are allowed into his modest-sized hearing room, just off his subcommittee office, but they have to scramble for seats along with the rest of the public.

The buzz of talk dies to a hush as the tall, slender silvery-haired Yates walks in and takes his place at the long hearing table in the front of the room. His deep-set, electric-blue eyes quickly take in the room and its occupants at a glance as he dons his spectacles and begins the hearing with a welcome to witnesses.

ANALYTICAL MIND

His questions reveal an analytical mind that suffers fools lightly. He cuts right through bureaucratic gobbledygook with get-to-the-point bluntness. And woe betide a witness, or even a colleague, who grandstands or veers away from the subject. Yates ignores them and picks up the beat of the main discussion as if there had been no preceding interruption. He never raises his voice.

He is kind if he gets a witness who is obviously flustered. A little dry humor does the trick. Sometimes the witness turns the tables. NEA deputy chairman Mary Ann Tighe made him laugh when she told him, "I'm ready for you this year."

Yates constantly surprises testifying witnesses with his knowledge and memory of their fields, whether the arts, humanities, museums, national parks or public lands—especially when he quotes them statistics from a previous year that they should have on the tip of the tongue themselves.

"Well, I know a little bit about a number of things," he says, "and fortunately I have a good memory and I can remember the few things that I know."

His boyhood in Chicago "fortunately was in the days before television, and we used to read," he recalls. "As in all big cities, they had branch libraries in all the neighborhoods. And when I was in grammar school particularly, we used to go to the library, and in addition to trading cards that had all the baseball players on them, we used to trade books with people who had books we wanted to read. That was kind of the sporty thing to do. So we came to read a lot."

ON MEETING ADDIE

Yates was "quite an athlete" in his youth, says his wife, Adeline ("Addie" to him and their friends). She fondly recalls meeting him when he was counselor at a summer camp her brother attended. They met when the family came for a visit, kept in touch and married a few years later after she had finished college ("I transferred from Wisconsin to Northwestern because I didn't want him to get away") and he had completed his law studies at the University of Chicago. They have one son, Stephen, now an associate judge of Cook County.

The congressman confines his love of the outdoors now to golf. A new silver trophy on a table in his office proclaims his winning of this year's Congressional Golf Tournament.

Talking about his musical interest, he says, "I have a collection of the folks songs of many of the countries. I like folk songs because I like to indulge in group singing. I learned to strum on a guitar and I know a few of the chords. Fortunately most of the folk songs are susceptible of being sung in one key like the key of C. So occasionally we get togther with a group of friends, but I'd much prefer to have one of them play the piano."

Yates is also an art collector, but says it is a small collection he has acquired through the years. It includes a Joni Mitchell and a Picasso. One of his favorites, a painting in wine tones by Peruvian artist Fernando Szylo, hangs on his office wall.

Despite putting in some long days, Yates says that after 30 years in Congress, he has learned to "balance" his life between work, family and friends, and needed recreation.

"He does his homework" has become a byword that is almost a definition of his reputation on Capitol Hill.

Liv Biddle sees him as "immensely knowledgeable about the whole spectrum of the arts, objective in his views, sympathetic to the whole process of greater support for the arts within the limits of his budgetary oversight."

Joe Duffey thinks he is "one of only two or three members of Congress whose advocacy for the arts and humanities goes beyond simply rhetoric, a person who leaves a trail of respect for his seriousness of inquiry and efforts."

Duffey's predecessor, former NEH chairman Ronald Berman, now teaching at the University of California at San Diego, thinks Yates "is terrific. I always thought of him as the highest type of person you could find in Congress. He does his homework. There are two ways you get help from Sid—in hearings and in private discussion in which he covers the ground."

DON'T POLITICIZE ART

However, Berman expresses his unhappiness with the present state of the arts, expressing his conviction that the Carter administration has "politicized the arts. Just look at the list of grantees. They really belong on the HEW mailing list. What it amounts to is subsidization of literally hundreds of small bureaucracies throughout the country that have nothing to do with the arts."

Asked for his reaction to Berman's views, Yates says, "My concern is that the arts don't be politicized. And I think that's the concern of every member of our committee, and that's good. I'm not sure I understand or would agree with Berman's view. I would like to have the specifics he's talking about rather than the generalities."

There will always be a conflict between those who say that the arts funding should go to a few professionals and thus a limited group, and those who say that arts support would be widespread, Yates points out. "And I think that the endowments' authorizing legislation intends that both of those purposes be fostered. Not only that the old-line, well-established arts and humanities institutions be helped, but that the impact of federal assistance in the arts and humanities be widespread throughout the country. And I think the endowments are trying to do that."●

WORLD PEACE TAX FUND ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, recently I introduced the World Peace Tax Fund, H.R. 4897, with a list of 26 cosponsors. Each year the number of cosponsors has increased, the number of religious organizations endorsing this legislation has grown, and the support of the people throughout the country appears to be building. Thev desire ways to peacefully avoid conflict and war in the world. This

legislation provides one alternative. It could also provide funding for the National Academy for Peace and Conflict Resolution.

The World Peace Tax Fund would amend the Internal Revenue Code of 1954 to provide that a taxpayer conscientiously opposed to participation in war may elect to have his/her income, estate, or gift tax payments spent for nonmilitary purposes.

Although the United States is not now at war, there are still thousands of Americans who are being forced each year to violate their consciences by paying taxes, or to violate Federal law by not paying taxes, or to live below the taxable income level. Their first amendment rights are not being protected as long as the law refuses to recognize their right to conscientiously oppose war by not supporting the military through payment of their taxes.

This bill would not provide any exemption from taxes; the conscientious objector would pay the full tax required, but the percentage of tax that would ordinarily go into military expenditures would be earmarked for peace research and education.

The bill does not open the "floodgates" to similar relief for other groups. The conscientious objectors' request for tax relief is unique, because it is motivated by the widely held and long established fundamental religious and moral mandate—"Thou Shalt Not Kill." Abhorrence of war and respect for the rights of minorities are principles deeply embedded in our Government. In all our wars the right of conscience has been recognized in some way. Now that the military drafts taxes rather than soldiers, conscription of funds for war and the instruments of war is a violation of deep moral and ethical beliefs of many citizens.

For the first time, we would have an agency devoted to finding nonviolent ways to resolve conflict. It is estimated that the fund would bring about $2 billion to this effort each year—not an overwhelming amount, but it could be the beginning of a new approach—a civilized approach—to conflict resolution.

At this time I would like to insert into the RECORD a summary of the legislation followed by other related material:

SUMMARY

The World Peace Tax Fund Act proposes that the Internal Revenue Code of 1954 contribution to military spending for Federal taxpayers who are conscientiously opposed to participation in war, and that a Fund be established to receive and distribute to qualified peace-related activities the portion of such individuals' tax payments that would otherwise go to military spending. The remainder of qualifying individuals' income, estate, and gift taxes would be transferred to the general fund of the U.S. Treasury, to be spent only for non-military purposes.

The Act gives relief to those citizens conscientiously opposed to participation in war, who are presently forced to violate their beliefs by participating in war through tax payments. There is considerable precedent for such relief. The Selective Service System has long recognized and accommodated the beliefs of conscientious objectors. Tax exemptions have been provided for certain religious groups to avoid violation of their religious and conscientious beliefs.

The requested tax relief for conscientious objectors will not open the "floodgates" to similar relief for other groups. The conscientious objector's request for tax relief is exceptionally compelling because it is motivated by the widely-held and long-established fundamental religious and moral mandate—"Thou shalt not kill."

The Act provides taxpayers who are conscientiously opposed to war and who might otherwise feel compelled to undertake illegal tax resistance, with a means of making a meaningful contribution to world peace consistent with their obligations of citizenship. It is particularly important that the Act extends the opportunity for conscientious objection to women and to men not eligible for conscientious objector status under the Selective Service System.

The amendments to the Internal Revenue Code of 1954 provide that a qualified taxpayer may elect to have his or her Federal Income, estate, or gift tax payment transferred to a special trust fund, the World Peace Tax Fund. The Amendments also explain how a taxpayer qualifies to have his or her tax paid to the Fund. Other sections of the Act provide for the creation of the World Peace Tax Fund, and for the appointment of a Board of eleven Trustees to administer the Fund. The Fund is modelled after the National Highway Trust Fund and the National Airport and Airway Trust Fund. The act provides that the General Accounting Office shall annually determine and publish the percentage of the Budget of the United States which was spent for military purposes in the fiscal year just ended. This percentage will be used to determine the portion of the qualifying taxpayer's tax which shall be received by the Board shall submit a budget to Congress for approval and appropriation, providing for channeling of these monies to specified peace-related activities. Monies not appropriated from the Fund for expenditures budgeted by the Board shall remain available for use in subsequent years by the Board, subject to Congressional appropriation.

MEMORANDUM IN SUPPORT OF THE WORLD PEACE TAX FUND ACT

INTRODUCTION

Many persons in this country are conscientiously opposed to participation of any kind or nature in war. For some religious denominations this is a fundamental part of the religious beliefs of the members. For example, the Handbook of the Pacific Yearly Meeting of the Religious Society of Friends urges its members:

"To recognize that the military system is not consistent with Christ's example of redemptive love . . . (and) to consider carefully the implication of paying those taxes, a major portion of which goes for military purposes."—page 28 of 1962 Rev. Ed.

The World Peace Tax Fund Act is designed to relieve individuals conscientiously opposed to participation in war from the obligation to participate in war through the payment of taxes for military spending. Also it frees them from the weight of conscience which comes from breaking the law, when they hold law and society important.

Freedom of conscience, whatever that might be, is an integral part of our scheme of government. The Supreme Court of the United States, in March of 1965, quoted a statement made in 1919 by Harlan Fiske Stone, who later become Chief Justice of the Court:

"Both morals and sound policy require that the state should not violate the conscience of the individual. All our history gives confirmation to the view that liberty of conscience has a moral and social value which makes it worthy of preservation at the hands of the state. So deep is its significance and vital, indeed, is it to the integrity of man's moral and spiritual nature that nothing short of the self-preservation of the state should warrant its violation; and it may well be questioned whether the state which preserves its life by a settled policy of violation of the conscience of the individual will not in fact ultimately lose it by the process,"—Stone, The Conscientious Objector, 21 Col. U.Q. 253, 269 (1919).

Although not all persons who are conscientiously opposed to participation of any kind in war base their convictions on religious training and belief, conscientious objection to war appears to be well recognized as an integral part of the religious beliefs of many people. Speaking of the struggle for religious liberty in this country, Chief Justice Hughes referred to:

"The large number of citizens of our country, from the very beginning, who have been unwilling to sacrifice their religious convictions and in particular those who have been conscientiously opposed to war and who would not yield what they sincerely believed to be their allegiance to the will of God . . ." *United States* v. *Macintosh*, 283 U.S. 605, 631 (1931).

Certainly to require significant participation in war, against the religious conscience of these people would violate the spirit of the first amendment protection for the free exercise of religion. (See *West Viginia State Board of Education* v. *Barnett* 319 U.S. 624 (1943); *School District of Abington Township* v. *Schempp* 374 U.S. 203 (1963); *Contran Tyrrell* v. *United States* 200 F. 2d 8 (9th Cir. 1953) *cert. denied* 345 U.S. 910.

Conscientious objection to war and military training is deeply imbedded in the traditions of this country. For example the ratifying conventions of each of the six states that recommended the adoption of a Bill of Rights in ratifying the new Constitution approved specific amendments as a part of their recommendations; Virginia, North Carolina, and Rhode Island included a provision guaranteeing the right of conscientious objection. (See Elliot *Debates on the Adoption of the Federal Constitution* Vol. 3, p. 659, Vol. 4, p. 244 Vol. 1, p. 314–336 (reprint of 2nd ed. 1937).

A similar provision was suggested but rejected by the Maryland convention. (See Elliot at 553.) It is not surprising, therefore, that one of James Madison's proposed amendments presented to the first session of the first Congress included the following language: "but no person religiously scrupulous of bearing arms shall be compelled to render military service in person." *Annals of the Congress of the United States*, 434 (Gales and Seaton, 1934).

During the debates on the proposed amendment, it was suggested that the right be conditioned "upon paying an equivalent." To this suggestion Mr. Sherman of Connecticut remarked:

"It is well known that those who are religiously scrupulous of bearing arms are equally scrupulous of getting susbtitutes or paying an equivalent. Many of them would rather die than do either one or the other." *Annals* at 750.

A motion was then made to drop this clause altogether; the motion failed and the clause was included in the list of proposed amendments sent to the Senate for approval. The Senate omitted this provision and it never became a part of our Bill of Rights. Although no record of the Senate debates was taken at the time, the opposition to the proposal in the House would indicate that the Senate preferred to leave the matter to legislation instead of a Constitutional Amendment. *Annals* at 751.

Although Congress has recognized the right of conscientious objectors to refrain from participation in war and has enacted legislation to protect that right, conscientious objectors are still forced to participate

in war through the payment of taxes, a substantial portion of which goes to military spending. Every person in this country who pays Federal income, estate, or gift taxes is forced to participate in war in this manner. They are forced to aid in the equipping and training of armies and in the purchase of bombs, ammunition, missiles, napalm and other instruments of destruction. This is a significant form of participation in war.

Tax refusal—refusal to pay taxes because the money was to be spent for things to which the taxpayers were conscientiously opposed—has a long history. Early Christians refused to pay taxes to Caesar's pagan temple in Rome. Quakers and Mennonites refused to pay taxes to pay for the war effort during the French and Indian Wars, the Revolutionary War, and the Civil War. Under Gandhi's influence, strugglers for independence in India refused to pay taxes to the British Empire. In many ways the Boston Tea Party and other attempts of the colonists to prevent the British from collecting taxes to pay for the French and Indian War and for the stationing of British troops in the colonies represent similar protests. (See 1 Malone & Rauch, *Empire for Liberty* 126–36 (1960)). Just as pacifists are opposed as a matter of conscience to paying taxes that are used for military purposes, so were the colonists opposed as a matter of conscience to paying taxes without representation.

At the present time those who are conscientiously opposed to any form of participation in war can avoid violating their conscience in the matter of federal income taxation in only two ways. First, they can carefully avoid earning more than the minimum income required by federal law upon which income taxes must be paid. Second, they can simply refuse to pay the taxes due, or a certain percentage of them; this amounts to a criminal offense which could result in a maximum sentence of $10,000 fine and one year in prison. See Internal Revenue Code, Section 6502. Such a penalty could conceivably be imposed every year if the individual refused to pay the taxes due every year. In spite of the possibility of these extreme consequences, many people take this route because they feel it is a lesser evil than to violate their conscience.

To most American citizens who wish to make substantial contribution to the life of their community and who want to be law-abiding citizens these are not feasible alternatives. The liberty of conscience that Chief Justice Stone spoke about is not being preserved in the area of conscientious opposition to participation in war. In order to preserve this liberty of conscience and to preserve both the dignity and the fairness of law—to preserve it in a spirit intended by the founding fathers and the drafters of the Bill of Rights—legislation should be enacted to provide a legal and realistic alternative to participation in war through the payment of federal income, estate, and gift taxes.

PRECEDENT

There is sound precedent for such legislation giving tax relief to protect religious and conscientious beliefs. Section 1402(e) of the Internal Revenue Code provides an exemption from payment of self-employment taxes for duly ordained, licensed or commissioned ministers and members of religious orders, or for Christian Science Practitioners upon their filing an application for exemption together with a statement that they are conscientiously opposed to, or because of religious principles, they are opposed to participation in an insurance plan like that provided by the Social Security Act. Section 1402(h) of the Internal Revenue Code similarly relieves members of qualified religious faiths, primarily the Amish, of the duty to pay the Social Security tax. By this Code provision, enacted in 1965, Congress acknowledged and accommodated the conscientious objection of the Amish to participation in insurance plans. The tax exemptions provided by sections 1402(e) and 1402(h) of the Internal Revenue Code were modeled after the exemption of conscientious objectors from the draft.

By exempting individuals conscientiously opposed to participation in insurance plans from payment of Social Security taxes, Congress clearly extended the principle of Congressional accommodation of conscientious beliefs from the area of the draft to the area of taxation. Thus Congressional precedent for tax relief to accommodate the beliefs of conscientious objectors to war is firmly established. Congress has recognized both the right not to participate in war and the right of a tax exemption to avoid participation in a program to which the tax-payer is conscientiously opposed.

The proposed tax accommodation for conscientious objectors to war recognizes the unique and long-acknowledged right of an individual to refrain from participation in war. It reflects an honest acknowledgement that payment of taxes for military spending is a significant and, for conscientious objectors, intolerable form of partcipation in war. The proposed special tax status for conscientious objectors is a necessary device to avoid forcing their participation in war.

The tax treatment asked for conscientious objectors is less exceptional than that presently granted by sections 1402(e) and 1402(h) of the Internal Revenue Code. Those sections allow individuals "conscientiously opposed" to Social Security insurance to be entirely exempted from payment of a portion of their tax. In contrast, the World Peace Tax Fund Act does not propose exemptions from payment of a portion of the conscientious objector's tax. Under the Act, a conscientious objector is still required to pay his entire tax. The Act merely provides that an appropriate portion of the tax may be diverted from military spending to nonmilitary peace-related activities.

Like the exemption from payment of the Social Security tax, the proposed tax accommodation for conscientious objectors is based on religious and conscientious belief. The conscientious objector to war has a compelling justification for the special tax status he seeks. His concern is fundamental. He asks not to be forced to join in the deliberate killing of his fellow men. His desire not to participate in war and killing through any means, including taxation, is based upon a widely acknowledged religious and moral principle. Observance of the principle is essential to the integrity of the individual. By forcing the conscientious objector to war to contribute to military spending, Congress presently forces him to violate his conscience and severely denies his right of religious freedom.

The tax accommodation of conscientious objectors would be an affirmative gesture which would benefit society as well as the individual taxpayer. Especially today, when a faint hope of world peace precariously counterbalances the threat of unspeakable destructive war, it is important to society that the moral principle, "Thou shalt not kill," which underlies the conscientious objector's attitude towards war, be firmly and repeatedly asserted.

Fundamental fairness requires that the opportunity for making this affirmative gesture for world peace and against killing be extended to all people—not just those draft-age males who qualify for conscientious objector status under the Selective Service laws. Therefore another important aspect of this act is that it offers women and children an opportunity constructively to demonstrate their opposition to war through formal conscientious objection—an opportunity which at present is open only to draft-age men.

The proposed tax accommodation for conscientious objectors is required by uniquely compelling justifications. Granting this special tax status to conscientious objectors will not open the floodgates to other groups who claim to be "conscientiously opposed" to various uses of their tax dollars, because the concern of the conscientious objector is so fundamental, so widely acknowledged, and so essential to the integrity of individuals and our society.

The contemplated tax treatment of conscientious objectors does not establish a precedent for individual earmarking of tax dollars. Trustees appointed by the President with the advice and consent of the Senate will receive, for subsequent channeling to appropriate peace-related activities, a portion of the Fund's monies. This portion represents a sum of all qualifying individuals' income, estate, or gift tax payments, multiplied by the percentage of last year's Federal budget devoted to military spending. The spending decisions of the Trustees require Congressional approval and appropriation. Congress retains power over spending of the conscientious objector's taxes. The taxpayer who qualifies as a conscientious objector can only decide that his tax dollars will not be spent for one specific purpose—military spending. Distribution of monies by the Board to qualified peace-related organizations finds precedent in the qualified distribution requirements for private foundations under Section 4942 of the Code.

In summary, the conscientious objector's uniqueness rests first, in the long tradition of Congressional respect for and accommodation of conscientious objectors to war. Second, the standards for determination of conscientious objector status have been tried, proven, and refined by the Selective Service System and conveniently provide stringent and reliable requirements for determining conscientious objector status for tax purposes. Third, the conscientious objector to war bases his request for special tax treatment on a widely-held long-established fundamental religious and moral belief. Fourth, the declaration of conscientious objection for tax purposes is an affirmative and constructive act which could make a substantial contribution to world peace.

The great interest of individuals in the free exercise of their fundamental religious beliefs should weigh most heavily against the public interest in minimizing exceptions to the general tax laws. If the interest of the Amish in not participating in Social Security insurance was sufficient to outweigh this public interest, the compelling interest of the conscientious objector to war should also outweigh it.

EFFECTIVENESS

Individuals conscientiously opposed to war will be excused from tax contribution to military spending and thereby from a significant form of participation in war. The tax dollars diverted from military spending will be used to promote world peace. It is recognized that because of the nation's tax collection and budgeting process, the creation of the World Peace Tax Fund may not markedly reduce the money available for military spending. A serious curtailment of military spending would result only if a great many taxpayers participated in the Fund, thereby calling for a major shift in national priorities. The military will get the funding it requests until the success of the Fund helps persuade taxpayers and Congress to reduce the priority of military spending.

At present, many conscientious objectors are so determined to change this country's priorities that they have refused to pay their taxes. As an alternative to forcing conscientious objectors to pursue this difficult and unpopular course, this bill offers the conscientious objector a way of making a posi-

tive contribution to world peace in place of contributing to military spending. The Fund will provide a constructive means of citizen's protest for its contributors. The Fund will draw the attention of every taxpayer to the percentage of American tax dollars going to military spending. It will encourage Congress to recognize this percentage by publication of the Fund's annual reports. At present, for the most part, no effort is being made by the government to separate military spending from other spending. Individual taxpayers, in making out their annual returns, will be forced to decide whether or not they can conscientiously contribute to military spending. Those who become conscientious objectors for tax purposes will be voicing a significant vote against military policy. The bill provides that the number of contributors to the Fund, the amount of money contributed, and the expenditures of the Fund shall be published and reported to Congress each year.

Many conscientious objectors would like to take a firmer stand than that provided by this Act in opposition to their country's military operations, but in view of the political constraints, imposed on them as a minority, they support the Fund as a meaningful, though not entirely satisfactory means of working for world peace.

The Internal Revenue Code amendments and the organization of the Fund are designed to accomplish their goals with a minimum of administrative effort. The individual taxpayer is given the initial responsibility for determining whether he or she is eligible for conscientious objector status. A taxpayer who is already classified as a conscientious objector for Selective Service or Immigration purposes is automatically eligible. A taxpayer, regardless of age or sex, who files a declaration of conscientious opposition to war, is eligible. False statements knowingly made in declaring conscientious objector status are grounds for prosecution for perjury. Willfull abuse of this claim of eligibility will therefore be discouraged. The Internal Revenue Service may conduct an examination, "For the purpose of ascertaining the correctness of any return," according to Section 7602 of the Code. Language in that section is broad enough to allow review of a declaration of conscientious objection to war. In formulating requirements for conscientious objector status and in reviewnig returns of conscientious objectors, it is expected that the Secretary or his delegate will rely primarily on 50 U.S.C. App. 456(j), which exempts conscientious objectors from military service, and judicial interpretations thereof. Final rulings by the IRS against the taxpayer's status as a conscientious objector are appealable to the United States District Court.

The Fund itself will be self-sufficient. It is expected that the commitment of the Fund's Trustees to world peace and their appointment by the President with the advice and consent of the Senate will make the Fund self-policing so that contributors and other taxpayers and Congress will have faith in it, and it will accomplish the goals set for it. The operating expenses of the Fund will be paid out of the money the Fund receives from taxpayers. Because the Fund will encourage people who presently refuse to pay their taxes, to pay these taxes, the administrative costs of the Fund will be offset by the additional tax payments which the Fund is expected to generate.

A final point is that legislative relief is the only legal avenue available for resolving the conscientious objector's dilemma between his beliefs and his obligations of citizenship. Conscientious objectors have repeatedly lost their battle against war taxes in the courts. Despite the strong constitutional arguments which can be made in their defense, in deference to Congress the courts have repeatedly held against conscientious objectors who have refused to pay their taxes to military spending.

CONSTITUTIONALITY

(1) *Uniformity.* The proposed legislation conforms with the requirement of Article I. Section 8, Clause 1 of the Constitution which provides "All duties, imports and excises shall be uniform throughout the United States." The requirement of uniformity has been read to require geographical uniformity, *Knowlton* v. *Moore*, 178 U.S. 41 (1900); *Brushaber* v. *Union P. R. Co.*,—U.S. 1 (1916); *Fernandez* v. *Wiener*, 326 U.S. 340 (1945).

(2) *First Amendment.* The first amendment provides "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof." The proposed tax payment accommodation of the religious beliefs of conscientious objectors is a mitigation of a general requirement for the purpose of allowing the free exercise of religion. This is not an establishment of religion.

According to the General Counsel of the Treasury, "The classic example of the application of the free exercise clause is the series of cases which have upheld Congressional exemption of conscientious objectors from military service. The validity of this exemption was first established by the *Selective Draft Law Cases*, 245 U.S. 366 (1918), upholding the exemption in the draft law of members of religious sects whose tenets prohibited the man's right to engage in war." The Solicitor General has argued (p. 374) that the exemption did not establish such religions but simply aided their free exercise. The court considered that the Congressional authority to provide such exemption was so obvious that it need not argue the point (pp. 389—390).

The present Universal Military Training and Service Act (50 U.S.C. app. 456(j)) provides, "(j) Nothing contained in this title (sections 451, 453, 454, 455, 456 and 458–471 of this Appendix) shall be construed to require any person to be subject to combatant training and service in the Armed Forces of the United States who, by reason of religious training and belief, is conscientiously opposed to participating in war in any form." "Participation in war in any form" has been read by the courts to mean "participation in any form in war." *Taffs v. U.S.*, 208 F. 2d 329 (CA 8 (1953)), *cert. denied* 347 U.S. 928 (1954). In *U.S. v. Seeger*, 380 U.S. 163, 13 L. Ed. 2d 733 (1965) the court broadly interpreted "by reason of religious training and belief" to require no formal religious training, and suggested that a personal moral code would be sufficient grounds for conscientious objection if there were some other basis for the registrant's belief. The *Seeger* case did not reach the constitutional question of whether the state might require a belief in God as a condition for exemption. *Torcaso v. Walkins*, 367 U.S. 488 (1961) did hold that Maryland could not require an oath attesting to a belief in God as a requirement for becoming a notary public. because such a requirement would constitute an establishment of religion.

Another example of the use of Congressional authority to make exemptions from general laws to permit the free exercise of religion is the exemption from taxation of religious organizations, property and activities. These exemptions continue to be upheld against claims that they have the effect of establishing the religions benefited. *Swallow v. U.S.*, 325 F. 2d 97 (10th Cir. 1963).

Zorach v. Clauson, 343 U.S. 306 (1952) is another case affirming the validity of accommodations made by the state to allow the free exercise of religion. There the Court upheld New York legislation authorizing public schools to release children one hour early every week for religious instruction off school grounds.

That allowing conscientious objectors to pay a portion of their taxes into a non-military tax fund is an accommodation for the free exercise and not an establishment of religion is made clear by *Sherbert v. Verner*, 374 U.S. 398 (1963). The Court held there that Maryland could not deny unemployment benefits to a Seventh-Day Adventist who refused to take a job requiring work on Saturday, the Adventists' Sabbath. The Court held this conditioning of welfare benefits on compromise of individuals' religious beliefs was an unconstitutional restriction on the free exercise of religion. Therefore, the court ordered Maryland to make accommodation within its general unemployment law. A conscientious objector who is forced to pay taxes which help finance military spending, is being denied the right of free exercise of his religious beliefs. The conscientious objector's plight is worse than the Adventist's in *Sherbert* who paid a lesser price for free exercise of religion. In *Sherbert* the price exacted by the state for religious freedom was loss of unemployment benefits. The conscientious objector who refuses to pay taxes is not only fined but is forced to break the law and is liable to criminal prosecution. Contribution to military spending is a significant form of participation in war. It may be as offensive to religious beliefs as service in the Armed Forces. Congress has accommodated religious beliefs by exempting from military service those conscientiously opposed to participation in war. It is a small step for Congress to allow the conscientious objector not to participate in war through taxes. Clearly, such an accommodation is to aid the free exercise of religion and is permitted, if not required, by the first amendment.

The effect of the proposed accommodation for conscientious objectors would not be discrimination in favor of some religions at the expense of others. Rather, the present discrimination against those who are forced to pay taxes, (a portion of which goes to military spending in violation of their religious beliefs), would be removed. See *Sherbert*, p. 406. Nor are the problems of administration and the possibility of spurious claims under the proposed accommodation justification for continuing the present burdens or the free exercise of religion. See *Sherbert*, p. 407.

Despite the constitutionality of the proposed amendments, it might be argued there is an overriding public interest which forbids accommodation. But in *In re Jenison*, 375 U.S. 14 (1963) the Court relying on *Sherbert* v. *Verner* vacated a ruling of the Minnesota Supreme Court, which held that jury duty, a primary duty of all citizens, was superior to a religious belief which forbade judging others and therefore forbade jury duty. After *Jenison* it is possible to argue that it is unnecessary to balance the public interest against the individuals' interest to determine whether an exception to the general law should be made to accommodate the free exercise of religion. Rather Congress or the courts could simply determine if an accommodation is necessary to allow free exercise of religion and if so, grant it.

(3) *The due process clause.* The due process clause of the fifth amendment requires that tax statutes be reasonable and apply to a reasonable class. However, the standards of resonableness applied to tax statutes are more lenient than those applied generally; only clearly arbitrary tax classifications will be struck down. *Flemming* v. *Nestor*, 363 U.S. 603 (1960); *Smart* v. *U.S.*, 222 F. Supp. 65 (1963); *Leeson* v. *Celebrezze*, 225 F Supp. 527 (1963). Therefore it is unlikely that the classification proposed by these amendments would be found unreasonable, especially since the classification is the same which has long been accepted as reasonable for draft exemption purposes.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DERWINSKI (at the request of Mr. RHODES), for the week of September 10, on account of official business.

Mr. GIBBONS (at the request of Mr. WRIGHT), after 5:15 p.m. today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. KEMP, for 60 minutes, today.

Mr. MCKINNEY, for 5 minutes, today.

Mr. EMERY, for 5 minutes, today.

(The following Members (at the request of Mr. RAHALL) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mrs. BOGGS, for 5 minutes, today.

Mr. DANIELSON, for 5 minutes, today.

Mr. SHELBY, for 5 minutes, today.

Mr. ADDABBO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost $1,158.

Mr. DICKINSON, to revise and extend his remarks, immediately preceding the vote on the Ichord amendment.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. DANNEMEYER.

Mr. GRISHAM.

Mr. CHENEY.

Mr. SHUMWAY in two instances.

Mr. WHITEHURST.

Mr. MADIGAN in two instances.

Mr. CLAUSEN.

Mr. PURSELL.

Mr. ERLENBORN.

Mr. DICKINSON.

Mr. BROWN of Ohio.

Mr. SHUSTER.

Mr. PAUL in four instances.

Mr. HAGEDORN.

Mr. GOODLING.

Mr. MCEWEN.

Mr. CLINGER.

Mr. MILLER of Ohio in three instances.

Mr. MCCLORY.

Mr. EVANS of Delaware.

Mr. CORCORAN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. CONYERS.

Mr. ERTEL.

Mr. KASTENMEIER.

Mr. GUARINI.

Mr. WOLFF in three instances.

Mr. SANTINI.

Mr. BRODHEAD.

Mr. HALL of Ohio.

Mr. RICHMOND.

Mr. MITCHELL of Maryland.

Mr. STUMP in two instances.

Mr. MOTTL.

Mr. BALDUS.

Mr. SKELTON in two instances.

Mr. ROBERTS.

Mr. GINN.

Mr. HAMILTON.

Mr. DODD.

Mr. MINETA.

Ms. OAKAR.

Mr. STUDDS.

Mr. LAFALCE.

Mr. CLAY.

Mr. DINGELL.

Mr. YATRON.

Mr. LOWRY.

Mr. PATTERSON.

Mr. MICA.

Mr. LEVITAS.

Mr. SHELBY.

Mr. WON PAT.

Mr. MOORHEAD of Pennsylvania in two instances.

Mr. FORD of Tennessee.

Mr. MURPHY of New York.

Mr. THOMPSON.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 658. An act to correct technical errors, clarify and make minor substantive changes to Public Law 95-598; to the Committee on the Judiciary.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1646. An act to amend the International Banking Act of 1978 (Public Law 95-369) to extend the time for foreign banks to obtain required deposit insurance with respect to existing branches in the United States.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Wednesday, September 12, 1979, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2413. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of September 1, 1979, pursuant to section 1014(e) of Public Law 93-344 (H. Doc. No. 96-185); to the Committee on Appropriations and ordered to be printed.

2414. A letter from the Acting Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting notice of a proposed increase in the funding level of the agency's fiscal year 1979 program in the Dominican Republic, pursuant to section 653(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

2415. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112 b(a); to the Committee on Foreign Affairs.

2416. A letter from the Administrator of General Services, transmitting a followup report on the recommendations contained in the final report of the Privacy Protection Study Commission, pursuant to section 6(b) of the Federal Advisory Committee Act; to the Committee on Government Operations.

2417. A letter from the Acting Deputy Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building-U.S. Courthouse, Savannah, Ga., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2418. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Courthouse (New), Portland, Oreg., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

2419. A letter from the Chairman, U.S. Consumer Product Safety Commission, transmitting the Commission's fiscal year 1981 budget estimates, pursuant to section 27(k)(1) of Public Law 92-573; jointly, to the Committees on Appropriations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ULLMAN: Committee on Ways and Means. H.R. 4746. A bill to make miscellaneous changes in the tax laws (Rept. No. 96-423). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 2441. A bill to amend the Federal Aviation Act of 1958, relating to aircraft piracy, to provide a method for combating terrorism, and for other purposes; with amendment (Rep. No. 96-424, pt. 1). Ordered to be printed.

Mr. BROOKS: Committee on Government Operations. H.R. 24. A bill to improve budget management and expenditure control by revising certain provisions relating to the Comptroller General and the Inspectors General of the Departments of Energy and Health, Education, and Welfare, and for other purposes; with amendment (Rept. No. 96-425). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 5227. A bill to set forth a national program for the full development of energy supply, and for other purposes; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, Interior and Insular Affairs, Interstate and Foreign Commerce, Public

Works and Transportation, Science and Technology, and Ways and Means.

By Mr. EVANS of Delaware (for himself, Mr. HARSHA, and Mr. ABDNOR):

H.R. 5228. A bill to designate the building known as the Federal Building in Wilmington, Del., as the "J. Caleb Boggs Building"; to the Committee on Public Works and Transportation.

By Mr. ULLMAN:

H.R. 5229. A bill to provide for a temporary increase in the public debt limit; to the Committee on Ways and Means.

By Mr. GARCIA:

H.R. 5230. A bill to provide for the issuance of a commemorative postage stamp to honor Benito Juarez; to the Committee on Post Office and Civil Service.

H.R. 5231. A bill to provide for the issuance of a commemorative postage stamp to honor Pablo Casals; to the Committee on Post Office and Civil Service.

H.R. 5232. A bill to provide for the issuance of a commemorative postage stamp to honor Roberto Clemente; to the Committee on Post Office and Civil Service.

By Mr. GARCIA (for himself and Mr. COURTER) (by request):

H.R. 5233. A bill to amend section 301 of title 13, United States Code, to protect the confidentiality of export data required by the Bureau of the Census for statistical purposes; to the Committee on Post Office and Civil Service.

By Mr. MADIGAN:

H.R. 5234. A bill to amend the Internal Revenue Code of 1954 with respect to the special valuation of farm property for purposes of the estate tax; to the Committee on Ways and Means.

By Mr. NICHOLS (for himself, Mr. MITCHELL of New York, Mr. MOLLOHAN, Mr. EMERY, Mr. DAVIS of South Carolina, Mr. COURTER, Mr. FAZIO, Mr. EVANS of the Virgin Islands, Mr. LEACH of Louisiana, Mrs. BYRON, Mr. MAVROULES, and Mr. WYATT):

H.R. 5235. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. PEYSER:

H.R. 5236. A bill to amend the Mineral Leasing Act of 1920 to promote exploration for oil and gas on Federal lands; to the Committee on Interior and Insular Affairs.

H.R. 5237. A bill to authorize the Secretary of Agriculture to assist participants in the food stamp program to pay the cost of fuel consumed for residential heating during the period of December through March; jointly, to the Committees on Agriculture and Interstate and Foreign Commerce.

By Mr. SATTERFIELD:

H.R. 5238. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Ways and Means.

H.R. 5239. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Ways and Means.

H.R. 5240. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SHANNON (for himself and Mr. MOFFETT):

H.R. 5241. A bill to establish a program under which the Secretary of Health, Education, and Welfare, acting through the Social Security Administration and under agreements made with appropriate State agencies, will assist low-income and elderly households in meeting the increased costs of residential fuel, and to amend the Internal Revenue Code of 1954 to provide a middle-income energy tax credit for households which use heating oil; jointly, to the Committees on Education and Labor, Interstate and Foreign Commerce, and Ways and Means.

By Mr. SHUMWAY:

H.R. 5242. A bill to amend the Tariff Schedules of the United States with respect to the rates and duties for montan wax; to the Committee on Ways and Means.

By Mr. STUDDS (for himself, Mr. BREAUX, Mr. AUCOIN, Mr. FORSYTHE, Mr. BONKER, Mr. BONIOR of Michigan, Mr. PRITCHARD, Mr. YOUNG of Alaska, and Mr. LENT):

H.R. 5243. A bill to provide for a national program of fisheries research and development, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WON PAT:

H.R. 5244. A bill to direct the Secretary of the Interior to report to the Congress on plans or projects affecting the territories and possessions of the United States, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YATRON:

H.R. 5245. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that such act shall not apply to coal or other mine operators who employ 10 or fewer miners; to the Committee on Education and Labor.

By Mr. ZEFERETTI:

H.R. 5246. A bill to provide a bonus to each World War II veteran; to the Committee on Veteran's Affairs.

By Mr. BROYHILL:

H.R. 5247. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

By Mr. JENKINS (for himself and Mr. CONABLE):

H.J. Res. 395. Joint resolution proposing an amendment to the Constitution to protect the people of the United States against excessive governmental burdens and unsound fiscal and monetary policies by limiting total outlays of the Government; to the Committee on the Judiciary.

By Mr. PASHAYAN:

H. Con. Res. 183. Concurrent resolution expressing the sense of Congress that the President should communicate immediately to the Government of the Soviet Union that the United States insists that the Soviet Union remove its military combat troops from Cuba, with all deliberate speed; to the Committee on Foreign Affairs.

By Mr. RODINO:

H. Con. Res. 184. Concurrent resolution providing for printing additional copies of the committee print entitled "7th Edition of the Immigration and Nationality Act with Amendments and Notes on Related Laws"; to the Committee on House Administration.

By Mr. MOORHEAD of Pennsylvania:

H. Res. 402. Resolution approving the printing of additional copies of the publication entitled "A Guidelines Handbook on Federal Loan Guarantee Programs"; to the Committee on House Administration.

By Mr. RINALDO (for himself and Mr. COURTER):

H. Res. 403. Resolution expressing the concern of the House of Representatives at the presence of Soviet combat forces in Cuba and urging the Senate to deny its advise and consent to the ratification of the proposed Strategic Arms Limitation Treaty while any Soviet combat troops remain in Cuba; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENNETT:

H.R. 5248. A bill for the relief of Earnestine Austin; to the Committee on the Judiciary.

By Mr. PHILLIP BURTON:

H.R. 5249. A bill for the relief of Sing Chuen Yuan Lin; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 5250. A bill for the relief of Hae Ok Chun; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 5251. A bill for the relief of Gisela Krutzinna and Bert Krutzinna; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 329: Mr. STANGELAND.

H.R. 377: Mr. EDGAR.

H.R. 462: Mr. BEREUTER.

H.R. 811: Mr. CLEVELAND and Mr. PATTERSON.

H.R. 1429: Mr. MCEWEN, Mr. TREEN, Mr. EMERY, Mr. BAUMAN, Mr. DANNEMEYER, Mr. ERDAHL, Mr. WON PAT, and Mr. BEREUTER.

H.R. 1789: Mr. ROSENTHAL.

H.R. 1970: Mr. GRAMM.

H.R. 2291: Mr. BEREUTER.

H.R. 2443: Mr. ALBOSTA, Mr. MINISH, Mr. ROE, and Mr. HYDE.

H.R. 2459: Mr. LEDERER.

H.R. 2815: Mr. BLANCHARD.

H.R. 2977: Mrs. COLLINS of Illinois, Mr. DIXON, Mr. GRAY, Mr. SOLARZ, Mr. STARK, and Mr. WAXMAN.

H.R. 3053: Mr. LONG of Maryland.

H.R. 3056: Mr. WHITEHURST.

H.R. 3246: Mr. VENTO.

H.R. 3357: Mr. WHITEHURST and Mr. WYDLER.

H.R. 3538: Mr. AKAKA, Mrs. BOUQUARD, Mr. BOWEN, Mr. BREAUX, Mr. BROWN of Ohio, Mr. DUNCAN of Tennessee, Mr. HINSON, Mr. HUBBARD, Mr. HUCKABY, Mr. MCCORMACK, Mr. MURPHY of Pennsylvania, Mr. PERKINS, Mr. PRICE, Mr. RAHALL, Mr. SIMON, Mr. TAUKE, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WON PAT, Mr. YOUNG of Missouri, and Mr. LONG of Louisiana.

H.R. 3561: Mr. WHITE.

H.R. 4215: Mr. FITHIAN.

H.R. 4573: Mr. SLACK, Mr. THOMPSON, Mr. MURTHA, Mr. BOLAND, Mr. LUJAN, Mr. CLAUSEN, Mr. FAZIO, Mr. MOLLOHAN, Mr. BEILENSON, Mr. MOTTL, Mr. STOKES, Mr. COELHO, Mr. RAHALL, Mr. MCDADE, Mr. LAFALCE, Mr. VENTO, Mr. DOWNEY, Mr. FROST, Mr. ERTEL, Mr. HOWARD, Mr. ERDAHL, Mr. SANTINI, Mr. DOUGHERTY, Mr. LAGOMARSINO, Mr. DIXON, Mr. HUGHES, Mr. LEHMAN, Mr. CORCORAN, Mr. BEREUTER, Mr. BEDELL, Mr. GRAY, Mr. COURTER, Mr. EDGAR, Mr. ANDERSON of Illinois, Mr. HALL of Texas, Mr. TAUKE, Mr. GUARINI, Mr. MARRIOTT, Mr. GLICKMAN, Mrs. FENWICK, and Mr. MOAKLEY.

H.R. 4646: Mr. ATKINSON, Mr. BEARD of

Tennessee, Mr. BRINKLEY, Mr. BROOMFIELD, Mr. COELHO, Mr. CONTE, Mr. PHILIP M. CRANE, Mr. DAN DANIEL, Mr. DAVIS of Michigan, Mr. ERTEL, Mr. FITHIAN, Mr. GRAY, Mr. GUDGER, Mr. HALL of Texas, Mrs. HECKLER, Mr. HOWARD, Mr. KOSTMAYER, Mr. MCCLORY, Mr. MCDONALD, Mr. MAVROULES, Mr. MITCHELL of New York, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY of Illinois, Mr. QUAYLE, Mr. WALGREN, Mr. YATRON, and Mr. HAMILTON.

H.R. 4752: Mr. BEDELL, Mr. MARKEY, Mr. NOWAK, and Mr. PEYSER.

H.R. 5006: Mr. AUCOIN.

H.R. 5033: Mr. BEARD of Rhode Island, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CLAY, Mr. DONNELLY, Mr. FAZIO, Mrs. FENWICK, Mr. FLORIO, Mr. HORTON, Mr. JACOBS, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MOFFETT, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. PEYSER, Mr. QUILLEN, Mr. RICHMOND, Mr. RINALDO, Mr. RODINO, Mr. ROE, Mr. WEISS, Mr. YATES, Mr. YATRON, Mr. ADDABBO, Mr. GIBBONS, and Mr. ZEFERETTI.

H.R. 5060: Mr. MCCLOSKEY.

H.R. 5129: Mr. BADHAM, Mr. PATTEN, Mr. STRATTON, Mr. LAGOMARSINO.

H.R. 5169: Mr. EDWARDS of California, Mr. EDWARDS of Alabama, Mr. GORE, Mr. PRITCHARD, Mr. RUNNELS, and Mr. WALKER.

H.R. 5192: Mr. PEYSER.

H.J. Res. 355: Mr. ROUSSELOT and Mr. COELHO.

H.J. Res. 378: Mr. LEDERER, Mr. ROSE, Mr. MOAKLEY, Mr. COELHO, Mr. SIMON, Mr. BARNES, Mr. GINGRICH, Mr. CARNEY, Mr. WEAVER, Mr. MURPHY of Pennsylvania, Mr. FROST, Mr. VENTO, Mr. SOLOMON, Mr. DASCHLE, Mr. ROE, Ms. FERRARO, Mr. HOLLENBECK, and Mr. CARR.

H. Con. Res. 167: Mr. HARRIS.

H. Res. 21: Mr. RINALDO.

H. Res. 206: Mr. EDGAR.

H. Res. 400: Mr. BAUMAN, Mr. BROWN of Ohio, Mr. CORCORAN, Mr. PHILIP M. CRANE, Mr. EDWARDS of Oklahoma, Mr. GINGRICH, Mr. KRAMER, Mr. LIVINGSTON, Mr. LOTT, Mr. MADIGAN, Mr. MICHEL, Mr. O'BRIEN, Mr. SOLOMON, Mr. SPENCE, Mr. STUMP, Mr. WAMPLER, Mr. WON PAT, Mr. GOLDWATER, Mr. MCDONALD, Mr. STANGELAND, Mr. GRADISON, and Mr. DANIEL B. CRANE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 5050: Mrs. FENWICK.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2313

By Mr. QUAYLE:

—Page 26, after line 2, add the following new section:

VOLUNTARY STANDARDS

SEC. 305. The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commission Act (15 U.S.C. 41 et seq.) for fiscal year 1980, 1981, or 1982 for the development or promulgation of any trade rule or regulation with regard to the regulation of the development and utilization of voluntary standards and certification procedures within the United States.

H.R. 4034

By Mr. MOAKLEY:

—Page 43, insert the following after line 21 and redesignate subsequent sections accordingly:

REFINED PETROLEUM PRODUCTS

SEC. 108. Section 7 of the Export Administration Act of 1969, as redesignated by section 104(a) of this Act, is amended by adding at the end thereof the following new subsection:

"(n)(1) No refined petroleum product or residual fuel oil may be exported except pursuant to an export license specifically authorizing such export. Not later than five days after an application for a license to export any refined petroleum product or residual fuel oil is received, the Secretary shall notify the Congress of such application, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export. Such notification shall be referred to a committee of appropriate jurisdiction in each House of Congress.

"(2) The Secretary may grant such license if, within five days after notification to the Congress under paragraph (1) is received, a meeting of either committee of Congress to which the notification was referred under paragraph (1) has not been called, with respect to the proposed export, (A) by the chairman of the committee, (B) at the request in writing of a majority of the members of the committee, or (C) at the request of the Speaker of the House of Representatives or the Majority Leader of the Senate. Any such meeting shall be held within 10 days after notification to the Congress under paragraph (1) is received. If such a meeting is so called and held, the Secretary may not grant the license until after the meeting.

"(3) If, at any meeting of a committee called and held as provided in paragraph (2), the committee by a majority vote, a quorum being present, requests 30 days, beginning on the date of the meeting, for the purpose of taking legislative action with respect to the proposed export, the Secretary may not grant the license during such 30-day period.

"(4) Notwithstanding the provisions of paragraphs (2) and (3) of this subsection, the Secretary may, after notifying the Congress of an application for an export license pursuant to paragraph (1), grant the license if the Secretary certifies in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate that the proposed export is vital to the national interest and that a delay will cause irreparable harm.

"(5) At the time the Secretary grants any license to which this subsection applies, the Secretary shall so notify the Congress, together with the name of the exporter, the destination of the proposed export, and the amount and price of the proposed export.

"(6) This subsection shall not apply to (A) any export license application for exports to a country with respect to which historical export quotas established by the Secretary on the basis of past trading relationships apply, or (B) any license application for exports to a country if exports under the license would not result in more than 250,000 barrels of refined petroleum products and residual fuel oil being exported from the United States to such country in any fiscal year.

"(7) For purposes of this subsection, 'refined petroleum product' means gasoline, kerosene, distillates, propane or butane gas, or diesel fuel.

"(8) The Secretary may extend any time period prescribed in section 10 of this Act to the extent necessary to take into account delays in action by the Secretary on a license application on account of the provisions of this subsection.".

Page 59, line 1, insert after the comma "subsection (n), as added by section 108 of this Act,".

Page 44, line 8, strike out "n" and insert in lieu thereof "o".

Page 59, line 2, strike out "n" and insert in lieu thereof "o".

Page 59, line 2, strike out "109" and insert in lieu thereof "110".

Page 59, line 3, strike out "and (h)" and insert in lieu thereof "(h), and (i)".

By Mr. SHANNON:

—Page 45, insert the following section after line 21 and redesignate subsequent sections accordingly:

EXPORTS OF HIDES AND SKINS

SEC. 110. Subsection (f)(1) of section 7 of the Export Administration Act of 1969, as such section is redesignated by section 104(a) of this Act, is amended—

(1) by inserting "(A)" after "(f)(1)"; and

(2) by adding at the end thereof the following:

"(B) Notwithstanding the provisions of subparagraph (A), in order to carry out the policy set forth in section 3(7) of this Act with respect to cattle hides and skins, cattle hides and skins may not be exported in any year in an amount which is a greater percentage of the total supply of cattle hides and skins produced in the United States than the percentage of the total supply of cattle hides and skins produced in the United States which were exported during the years 1974 through 1978. The limitation set forth in the preceding sentence shall not apply if the President, after receiving the recommendations of the Secretary and the Secretary of Agriculture, determines that—

"(i) countries which are major producers of cattle hides and skins and which, on the effective date of this subparagraph, have in effect restrictions on the export from those countries of cattle hides and skins resume reasonable levels of exports of cattle hides and skins; or

"(ii) during the last calendar year ending before such determination is made, the supply of cattle hides and skins produced in the United States, after deducting the amount of such hides and skins exported during that calendar year, was sufficient to meet the demands of the domestic economy.

The Secretary and the Secretary of Agriculture shall submit to the President recommendations so that the President has sufficient information to make the determination described in this subparagraph. Before making such recommendations, the two Secretaries shall hold public hearings, after providing reasonable notice thereof, and shall afford interested parties an opportunity to submit written comments, with or without oral presentation, at such hearings. Any determination of the President made under this subparagraph shall be valid for a period of one year.".

By Mr. SKELTON:

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

EXPORT INFORMATION FOR SMALL BUSINESSES

SEC. 113. (a) The Secretary of Commerce shall, in consultation with the Administrator of the Small Business Administration, establish a program which provides for the collection, storage, and retrieval of export information. The Secretary of State and the Secretary of Agriculture shall each provide to the Secretary of Commerce such information as the Secretary of Commerce may require for such program.

(b) The Secretary of Commerce shall, on a regular basis (but not less often than once during each calendar quarter), prepare and publish a report—

(1) which identifies specific opportunities for the exportation of goods or services provided by small business concerns, and

(2) which contains such other export information determined by the Administrator to be useful to small business concerns in evaluating the feasibility of utilizing such opportunities.

Export information so published shall be made available to the public.

(c)(1) The Secretary of Commerce shall provide information to the Secretary of State and the Secretary of Agriculture on the availability of specific goods and services which may be provided abroad by small business concerns.

(2) The Secretary of Commerce, the Secretary of State, and the Secretary of Agriculture shall transmit any information described in paragraph (1) available to such Secretary to employees of such Secretary at each diplomatic or consular mission of the United States located in the area of the world to which the Secretary of Commerce determines such good or service may be exported. The Secretary of Agriculture shall also transmit such information to each United States Agricultural Trade Office established under subtitle B of title VI of the Act of August 28, 1954, as amended by title IV of the Agriculture Trade Act of 1978.

(3) All information transmitted under paragraph (2) to any diplomatic or consular mission of the United States shall be available for distribution to potential foreign consumers of such goods and services.

(d) On request by any small business concern which provides any good or service which the Secretary of Commerce determines is available for export, the Administrator shall provide export information with respect to such good or service.

(e) For purposes of this section, the term—

(1) "export information" means information relating to—

(A) specific opportunities for the exportation of goods and services provided by small business concerns,

(B) specific goods and services provided by such concerns which are available for export and the names and addresses of small business concerns providing such goods and services,

(C) economic conditions abroad which the Secretary of Commerce determines are appropriate to the evaluation of export opportunities for goods and services provided by such concerns, and

(D) restrictions by the United States or by foreign countries with respect to the exportation to such countries of goods and services provided by such concerns; and

(2) "small business concern" means "small business concern" defined under the Small Business Act (15 U.S.C. 631 et seq.).

—Page 48, add the following after line 22 and redesignate subsequent sections accordingly:

INFORMATION ON EXPORT MARKETS

SEC. 113. The Secretary of Commerce shall conduct a study to determine those countries which will or may provide the greatest potential as a market for United States goods and technology, including agricultural commodities and manufactured goods. Each Federal department and agency shall cooperate with the Secretary in conducting such study. Such study shall be completed within 90 days after the date of the enactment of this Act. The Secretary of Commerce shall make available to the public the information gathered in the course of such study. The Secretary shall establish a capability within the Department of Commerce for updating such information. The Secretary shall include, in the annual report submitted pursuant to section 14 of the Export Administration Act of 1969, as amended by section 116 of this Act, the actions taken to comply with this section.

By Mr. SYMMS:

—Page 37, insert the following after line 3 and redesignate the subsequent paragraph accordingly:

"(3) Whenever the President exercises his authority under paragraph (2) to modify or overrule any recommendation made by the Secretary of Defense under this subsection, the President shall promptly transmit to the Congress a statement indicating his decision, together with the recommendation of the Secretary of Defense. Such decision shall not be effective if, during the first period of sixty days after the date on which such statement is transmitted to the Congress, both Houses of Congress pass a concurrent resolution disapproving the President's decision. The President shall direct the Secretary to take no action with respect to the export license involved until both Houses of Congress have voted on such a concurrent resolution, or until the end of such 60-day period, whichever first occurs. In the computation of such 60-day period, there shall be excluded the days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain or because of an adjournment of the Congress sine die.

H.R. 4040

By Mr. KRAMER:

—Page 28, after line 2, insert the following new section (and redesignate the succeeding sections accordingly:

LIMITATION ON THE REDUCTION OF UNITED STATES FORCE LEVELS AT THE UNITED STATES NAVAL BASE AT GUANTANAMO BAY, CUBA

SEC. 812. No funds authorized to be appropriated by this Act may be used for the purpose of reducing the personnel, support, or equipment levels at any United States naval installation or facility at Guantanamo Bay, Cuba, or reducing military functions that are primarily supported from any such installation or facility.

By Mr. LONG of Maryland:

—Page 33, after line 8, add the following new section:

EXTENSION OF PERIOD FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF DEPARTMENT OF DEFENSE

SEC. 818. Paragraphs (1) and (2) of section 811(a) of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), are amended to read as follows:

"(1) After October 1, 1980, the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, may not exceed 1,073.

"(2) After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to the number of such employees employed by the Department of Defense on July 30, 1977, reduced by the same percentage as the percentage by which the total number of commissioned officers on active duty in the Army, Air Force, and Marine Corps above the grade of colonel, and on active duty in the Navy above the grade of captain, is reduced below 1,141 during the period beginning on October 1, 1977, and ending on September 30, 1980.".

By Mr. SANTINI:

—Page 9, after line 24, insert the following new section:

LOCATION OF MX MISSILE LAUNCHING SHELTERS

SEC. 203. No funds authorized to be appropriated by this Act may be used for the full-scale engineering development of the missile basing mode known as the Multiple Protective Structure (MPS) system or the MX missile if more than 25 percent of the shelters for such missile are to be located in any single State.

By Mrs. SCHROEDER:

—At the end of the matter proposed to be added by the amendment offered by Mr. DORNAN, add the following new sentence: "Notwithstanding the foregoing, an abortion may be provided if necessary to save the life of the mother, if the pregnancy resulted from rape or incest, or if there is a reasonable certainty that the fetus has a hereditary genetic defect or deformity or a defect or deformity attributable to chromosonal damage in either parent arising from a service-connected disease or disability of such parent.".

EXTENSIONS OF REMARKS

NEGOTIATING FROM STRENGTH WITH OPEC

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 11, 1979

● Mr. WOLFF. Mr. Speaker, the American people are up in arms over the high cost of energy. The national average price of a gallon of gasoline is now over $1 per gallon. However, in many places, but especially New York, this is not a new phenomena. On the contrary, in these areas, people have been paying over a dollar a gallon for many months. One of the reasons for this growing sense of outrage in America is the ever increasing price of OPEC oil. Last December, a barrel of OPEC oil was selling for $12.93. In April, OPEC increased the base price of its oil to $14.55 a barrel. However, almost every OPEC nation added a surcharge to this base price, which actually made the average price of a barrel of OPEC oil $17.11. At the same time, prices on the spot market were over $35 a barrel. Now, just 4 months after the April price increase, the price of a barrel of OPEC oil ranges from a floor of $18 to a ceiling of $23.50. In just 7 months, the price of OPEC oil has gone up from 50 percent to almost 100 percent. Some OPEC nations are selling their oil at almost double the price of just 7 months ago, and they talk about raising prices again in the fall. Conceivably, we could see another price increase before the year is out. An end to this price spiral seems nowhere in sight.

The effects of these price increases on our economy have been disastrous. During the first half of this year, the country experienced an annual inflation rate of 13.2 percent. Now the administration says the likelihood of a recession has in-